



BANK OF CHINA TURKEY A.Ş.

ANNUAL ACTIVITY REPORT 2025



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Güney Bağımsız Denetim ve SMMM A.Ş.
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(Convenience translation of a report originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the General Assembly of Bank of China Turkey A.Ş.

1) Opinion

We have audited the annual report of Bank of China Turkey A.Ş. ("the Bank") for the period of January 1, 2025 – December 31, 2025.

In our opinion, the financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Bank is presented fairly and consistent, in all material respects, with the audited financial statements and the information we obtained during the audit.

2) Basis for Opinion

Our audit was conducted in accordance with "Regulation on independent audit of the Banks" published in the Official Gazette no.29314 dated April 2, 2015, by BRSA (BRSA Independent Audit Regulation) and Independent Auditing Standards ("ISA") which are the part of Turkish Auditing Standards issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). 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 Code of Ethics for Independent Auditors (including Independence Standards) (Code of Ethics) issued by the POA, as applicable to audits of financial statements of public interest entities, together with the ethical requirements included in other regulations that are relevant to the audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Our Auditor's Opinion on the Financial Statements

We have expressed unqualified opinions in our auditor's reports dated February 26, 2026 on the financial statements of the Bank for the period of January 1, 2025 – December 31, 2025.

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and communique on 'Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks', the management of the Bank is responsible for the following items:

- a) Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- b) Preparation and fair presentation of the annual report; reflecting the operations of the Bank for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the financial statements. The development of the Bank and the potential risks to be encountered are also noted in the report. The evaluation of the Board of Directors is also included in this report.
- c) The annual report also includes the matters below:
 - Subsequent events occurred after the end of the fiscal year which have significance,
 - The research and development activities of the Bank,
 - Financial benefits such as salaries and bonuses paid to the Board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.
 - Other matters prescribed in the communique on 'Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks' published in official gazette no.26333 dated November 1, 2006.



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When preparing the annual report, the Board of Directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

5) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué on 'Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks' published in official gazette no.26333 dated November 1, 2006, "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated November 1, 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency ("BRSA"), circulars, interpretations published by BRSA and "BRSA Accounting and Financial Reporting Legislation" which includes the provisions of Turkish Financial Reporting Standards ("TFRS") for the matters which are not regulated by these regulations, on whether the financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Bank's audited financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and BRSA Independent Audit Regulation. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the financial statement.

The name of the engagement partner who supervised and concluded this audit is Fatih Polat.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Fatih Polat, SMMM
Partner

February 26, 2026
İstanbul, Türkiye

BANK OF CHINA TURKEY A.Ş.
STATEMENT REGARDING ANNUAL ACTIVITY REPORT AS AT 31 DECEMBER 2025

This Annual Activity Report for year 2025 of Bank of China Turkey A.Ş. has been prepared in accordance with the “Regulation on the Procedures and Principles for Preparation and Publishing of Annual Report by Banks” published in the Official Gazette no.26333 dated 1 November 2006 by Banking Regulation and Supervision Agency, and enclosed herewith.

Xiaoqing ZHANG

Chairman of the
Board of Directors

Lixin GUO

Deputy Chairman of the
Board of Directors and
Chairman of the Audit
Committee

Yan HAISI

Member of the
Board of Directors

Xiaoming GAO

Member of the
Board of Directors and
General Manager

Özgür DALGIÇ

Member of the
Board of Directors and
Member of the Audit
Committee

Dalei DING

Assistant General
Manager

Kun ZHAO

Head of Financial and
Operational Control
Department

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A- GENERAL INFORMATION

Related Period : **01.01.2025 – 31.12.2025**
 Trade name : Bank of China Turkey Anonim Şirketi
 Trade registry number : 65510-5 (İstanbul Tic. Sicil Müd.)
 Registered Address : Esentepe Mah. Büyükdere Cad. Tekfen Tower Binası No: 209 Kat: 21 PK 34394 4. Levent/Şişli/İstanbul
 Contact:
 Phone : +90 212 260 88 88
 Fax : +90 212 279 88 66
 E-mail address : contact@bankofchina.com.tr
 Website Address : www.bankofchina.com.tr

1) Financial summary information regarding the activity period

Thousand (TL)	31/12/2025	31/12/2024	31/12/2023	31/12/2022	31/12/2021
Total Assets	10,245,966	6,434,022	3,777,344	2,784,718	2,662,692
Cash Assets and Central Bank	5,723,185	2,414,334	1,137,225	122,985	249,873
Banks	1,143,742	1,853,218	2,282,739	638,447	625,417
Loans	265,687	500,428	84,208	532,185	654,721
Government debt securities	2,686,294	1,462,107	128,362	1,368,229	1,044,541
Derivative Financial Assets	-	-	-	-	-
Other Assets	427,058	203,935	144,810	122,872	88,140
Total Liabilities and Equity	10,245,966	6,434,022	3,777,344	2,784,718	2,662,692
Deposits	5,969,504	2,119,725	769,663	336,275	367,907
Provision	104,740	142,945	112,267	73,059	40,051
Borrowings	-	882,577	410,151	106,943	180,930
Derivative Financial Liabilities	-	-	-	149,893	199,564
Other Liabilities	295,526	196,103	151,099	95,173	102,637
Equity	3,876,196	3,092,672	2,334,164	2,023,375	1,771,603
Letter of Guarantees	576,972	524,653	430,529	295,982	388,135
Other Guarantees	12,196,599	8,054,482	6,713,579	4,957,703	2,963,605
Derivatives	-	-	-	288,612	469,487
Capital Adequacy Ratio (%)	25.15	29.44	28.11	30.22	35.84
Equity/Assets (%)	37.83	48.07	61.79	71.13	66.53

Thousand (TL)	01/01/2025-31/12/2025	01/01/2024-31/12/2024	01/01/2023-31/12/2023	01/01/2022-31/12/2022	01/01/2021-31/12/2021
Net Interest Income	1,340,746	1,231,779	404,754	286,420	243,722
Non-Interest Income	308,116	249,772	195,773	142,397	59,407
Trading Income/Loss	63,753	37,685	108,480	55,355	42,123
Total Operating Income/(Expense)	1,712,615	1,519,236	709,007	484,172	345,252
Personnel Expenses	250,800	172,694	107,286	65,156	34,866
Net Other Operating Income/Expenses (-)	207,653	201,282	123,335	64,057	38,643
Loan Provisions	18,632	576	7,963	10,319	16,589
Net Profit/(Loss) before Tax	1,235,530	1,144,684	470,423	344,640	255,154
Tax Provision (-)	351,445	337,400	121,941	74,904	64,039
Net Profit / Loss for the Period	884,085	807,284	348,482	269,736	191,115

Financial Ratios (%)	31/12/2025	31/12/2024	31/12/2023	31/12/2022	31/12/2021
Return on Assets	8,63	12.55	9.23	9.69	7.18
Return on Equity	23,27	26.52	15.05	13.62	11.01
Capital Adequacy Ratio	25,15	29.44	28.11	30.22	35.84
Loans/Total Assets	2,59	7.78	2.23	19.11	24.59
Securities/ Total Assets	26,22	22.72	3.40	49.13	39.23
Banks/ Total Assets	58,26	28.80	60.43	22.93	43.49
Deposits/Total Assets	11,16	32.95	20.38	12.08	13.82
NPL	-	-	-	-	-

2) Bank's history and modifications of articles of associations within the year and their reasons

Bank of China Turkey A.S. is established on January 10th, 2017, major shares holder being Bank of China Limited. The BRSA granted the operational banking license to Bank of China Turkey A.Ş. as of 01/12/2017 and such license has been published on the Official Gazette on 07/12/2017.

As China's most internationalized and diversified bank, Bank of China Limited provides a markets services.

There are no changes occurred regarding the shareholder structure within the accounting period this Report pertains to.

At the Ordinary General Assembly Meeting held on **26 March 2025**, it was resolved to amend the Bank's Articles of Association. Within this scope:

- **Article 10**, titled "*Meeting Venue and Invitation to the General Assembly Meeting*", was amended in order to align General Assembly meetings with technological developments, taking into consideration the Bank's potential future needs and its foreign-shareholder structure;
- **Article 14**, titled "*Term of Office of the Members of the Board of Directors*", was amended in order to expressly reflect, within the Articles of Association, the duties and responsibilities of the Board of Directors arising primarily from the Banking Law and the Turkish Commercial Code;
- **Article 15**, titled "*Board of Directors' Meetings, Quorum for Meetings and Resolutions*", was amended in order to align Board of Directors' meetings with technological developments, taking into account the Bank's current needs and the fact that the Board of Directors is predominantly composed of foreign members;
- **Article 17**, titled "*General Assembly*", was amended in order to expressly include, within the Articles of Association, the statutory powers of the General Assembly arising primarily from the Turkish Commercial Code;

- **Article 20**, titled “*Audit Committee*”, was amended in order to regulate in more detail the fundamental duties and responsibilities of the Audit Committee within the Articles of Association;
- **Article 28**, titled “*Financial Year*”, was amended in order to regulate matters relating to statutory obligations regarding accounting principles and financial reporting, as well as the standards to be applied and taken into consideration.

3) Bank’s capital structure, changes in capital and shareholder structure within the year and information on qualified shares

a)- Capital : TL 1,051,230,000

b)- Shareholding Structure : The capital and shareholding structure of the Bank is as follows.

NAME, SURNAME/TITLE OF THE SHAREHOLDER	RESIDENTIAL ADDRESS	NUMBER OF SHARES	AMOUNT OF CAPITAL (TL)
1-Bank of China Limited	No.1 Fuxingmen Nei Dajie Beijing/China 100818	1,051,229,996	TL 1,051,229,996
2-Maxon Limited	23/F Bank of China Tower 1 Garden Road Hong Kong	1	TL 1
3-Best Stream Limited	23/F Bank of China Tower 1 Garden Road Hong Kong	1	TL 1
4-Union Favour Limited	23/F Bank of China Tower 1 Garden Road Hong Kong	1	TL 1
5-Well Ocean Limited	23/F Bank of China Tower 1 Garden Road Hong Kong	1	TL 1

c) There are no existing privileged shares.

d) Explanation on Qualified Shares:

Pursuant to the definition of “qualified share” given by the Banking Law numbered 5411, the owners of the existing qualified shares within the Bank capital and their share rates are explained below:

Name Surname/Trade Name	The Amount of Shares	Share Rate	Paid Shares	Unpaid Shares
Bank of China Limited	1,051, 229,996	99.99%	1,051,229,996	-

4) Explanations regarding the chairman and the members of board of directors, general manager and assistants and their shares

The Chairman and members of the Board of Directors, the members of Audit Committee, the General Manager and his assistants do not have any shares in the Bank.

5) The Evaluation of the chairman of the board of directors and the general manager for the activity period and their expectations for the future

Bank of China Turkey A.Ş., being the subsidiary of a Global Systemically Important Financial Institution, Bank of China Ltd, is increasing its presence in the Turkish market with a long term point of view.

Bank of China Ltd. has increased its global operations as of end of 2024 and is now active across the Chinese mainland as well as 64 countries and regions all around the world. The Bank has been present in Türkiye its Istanbul Representative Office in 2011. The decision to establish a subsidiary in Türkiye was taken in 2015 after which, in May 2016, the Banking License was obtained from the BRSA and upon completion of all the necessary steps on May 9th 2018 Bank of China Turkey A.Ş. became operational. Our Bank is targeting to grow in Türkiye, a Belt and Road country, in parallel with the Turkish and global economy.

Global economic activity in 2025 remained resilient but increasingly fragmented across regions, reflecting divergent growth drivers, monetary policy paths, and structural conditions. While global growth stabilized, the pace and composition of expansion varied notably between the United States, the Euro Area, and Emerging Market (EM) economies.

In the United States, economic growth continued to outperform other advanced economies, supported by strong labor market conditions, solid household balance sheets, and relatively resilient domestic demand. Consumer spending remained robust despite high interest rates, while business investment moderated amid tighter financial conditions. Although disinflation progressed, services inflation remained elevated due to wage growth and labor market tightness. As a result, the Federal Reserve maintained a cautious, data-dependent policy stance, delaying the timing of monetary easing. Financial conditions gradually tightened, contributing to a controlled slowdown rather than a sharp contraction.

The Euro Area economy experienced subdued growth in 2025, constrained by weak manufacturing activity, high energy costs, and fragile consumer confidence. Industrial production remained under pressure, particularly in export-oriented sectors, while fiscal policy space was limited by elevated public debt levels. Inflation moderated more slowly than expected due to persistent services inflation, prompting the European Central Bank to maintain a restrictive monetary stance for an extended period.

Structural challenges, including demographic pressures and weak productivity growth, continued to weigh on the medium-term outlook.

Emerging Market economies faced a more complex environment in 2025. Tight global financial conditions, volatile capital flows, and heightened geopolitical risks posed challenges, particularly for countries with high external financing needs. Nevertheless, some EM economies benefited from resilient domestic demand, improving trade balances, and selective capital inflows. Commodity-exporting countries experienced mixed performance amid volatile commodity prices, while EM Asia continued to demonstrate relative strength supported by regional trade integration and investment flows.

Across regions, global inflation continued its downward trend in 2025, driven by easing energy prices and improved supply conditions. However, services inflation and wage dynamics remained key sources of persistence. Major central banks emphasized policy coordination, financial stability, and gradual normalization, contributing to ongoing volatility in global financial markets.

Despite a challenging global environment, Türkiye's economy demonstrated strong resilience in 2024 and 2025, supported by a comprehensive macroeconomic adjustment program centered on disinflation, financial stability, and sustainable growth. In 2024, the Turkish economy grew by 3.3 percent, reflecting a rebalanced growth composition amid tight monetary and fiscal policies.

In the first half of 2025, economic growth reached 3.6 percent year-on-year. Private consumption growth moderated significantly as tighter financial conditions curbed demand, while public consumption declined in line with fiscal discipline. Fixed capital investment emerged as the primary growth driver, supported by earthquake-related reconstruction activities, strong construction investment, and a recovery in machinery and equipment spending. Net exports exerted a negative contribution to growth, reflecting weak external demand and rising protectionist trends in global trade.

Inflation dynamics improved markedly throughout 2025. Consumer price inflation declined steadily, supported by a restrictive monetary stance, improved policy coordination, and relative exchange rate stability. By September 2025, annual CPI inflation fell to approximately 33 percent, reflecting broad-based improvements across food, services, and core goods categories. The Central Bank of the Republic of Türkiye maintained a firm commitment to price stability, gradually adjusting policy rates in line with improving inflation expectations while preserving tight financial conditions.

External balances showed a favorable trajectory. The current account deficit remained contained at manageable levels, supported by strong tourism revenues, resilient services exports, and moderate import growth. Travel revenues continued to increase, while energy imports remained broadly stable. Capital inflows strengthened in 2025, with notable improvements in portfolio flows and direct investment inflows. Türkiye's sovereign risk premium declined significantly, reflecting enhanced investor confidence and improved macro-financial credibility.

Domestic financial markets remained stable throughout the year. De-dollarization efforts gained momentum through the gradual exit from foreign currency-protected deposit schemes and increased demand for Turkish lira assets. The banking sector preserved strong capital adequacy, sound asset quality, and prudent credit growth aligned with macroprudential targets.

Looking ahead to 2026, global economic conditions are expected to improve gradually as disinflation progresses and financial conditions ease cautiously. However, downside risks remain elevated due to geopolitical tensions, trade fragmentation, climate-related disruptions, and high global debt levels.

For Türkiye, the macroeconomic outlook for 2026 is broadly positive and underpinned by continued policy discipline. Economic growth is projected to strengthen to around 3.8 percent, driven by investment-led expansion and a more balanced contribution from domestic demand. Further progress in disinflation is expected to support real income growth, enhance confidence, and improve financial predictability.

Continued coordination between monetary and fiscal policies is expected to remain a key anchor for macroeconomic stability. The current account deficit is projected to remain at sustainable levels, supported by strong services exports and stable energy prices. Structural reforms aimed at boosting productivity, enhancing labor market efficiency, and supporting green and digital transformation will be critical to sustaining long-term growth and resilience.

We would like to take this opportunity to extend our gratitude to our shareholder, our dedicated employees, our customers, local regulators and government for their continuous support. Also, we would like to present our gratitude to our former Board Member Ms. Qingyan Zhao for her work and continuous support. We also welcome Mr. Lixin Guo as our new Board Member and wish him success.

Chairman of the Board of Directors

Xiaoqing ZHANG

General Manager

Xiaoming GAO

6) Explanation of the number of personnel and branches, type of services and activities of the bank and evaluation of the position of the Bank in the sector

Bank of China Turkey A.Ş. has 54 employees as of December 31, 2025. The Bank is operating only through its Head Office and Ankara Branch has been opened on October 20, 2025. Although the Bank has the full license from the banking regulator, the actual business is concentrated in Corporate Banking. The Bank only serves to legal entity customers and does not provide any cash services. Bank of China Bank of China Turkey A.Ş. aims to work with top tier corporates; local, multinational, Chinese or International, which have solid financials and easy access to financial sources. As per the “BELT AND

ROAD” initiative the Bank also concentrates in the banking needs of Chinese companies having investment appetite in Türkiye.

Main service areas of the Bank are related to Trade Finance, Corporate Loans, Project Finance, Deposits and Foreign Currency transactions. Thanks to the global network of Bank of China of around 11 thousand branches in China and 64 countries and regions around the world, Bank of China Turkey A.Ş. has vast opportunities to finance the international trade. Another major aim is to support the infrastructural projects of Türkiye. Therefore, Bank of China Turkey A.Ş. is concentrating on financing of these huge projects together with other branches of the group and thus, investing its resources to the development of the country.

As per the policies of both Türkiye and China governments, local currencies are expected to be used more and more in trade. Bank of China Turkey A.Ş. also increased its RMB loans during 2025 in order to serve the above purpose of using local currency in trade.

One of the most important competitive advantages of the Bank in the sector is its global network and the cooperation opportunities with this network. Another one is the increasing appetite from Chinese corporates to invest in Türkiye. Since Turkey has become part of the Belt and Road Initiative in 2015, more and more Chinese companies are interested in investing in Turkey. Being the most internationally active bank in China, most of the Chinese going out customers are already the clients of Bank of China in China and thus potential clients for Bank of China Turkey A.Ş. as they invest in Turkey.

7) Information on research and development practices related to new services and activities given

Bank of China Turkey A.Ş.’s product portfolio is composed of cash and non-cash loans as well as trade finance products, deposits and currency transactions. The Bank aims to enlarge its product portfolio in time as per the requests of its customers. Since the Bank is concentrating on corporate clients most of the products that will be utilized will be tailor-made designed according to the needs of the customers. On the Treasury side, the Bank is working on extending its infrastructure to be able to offer its clients derivative products. The Bank has become a direct participant to CIPS system of China. CIPS is the RMB payment system in China and the direct participation enables the Bank to realize RMB transfers all through its working hours. We hope that this is an important step to increase the utilization of RMB in Türkiye.

B- INFORMATION ABOUT MANAGEMENT AND CORPORATE GOVERNANCE APPLICATIONS

1) Corporate Governance

The Bank, strictly follows the rules and regulations within the scope of the applicable legislation, closely tracks changes in the related legislation and continuously enhances its corporate governance capabilities. Xiaoming Gao, Özgür Dalgıç and Yan Haisi have carried out the duties as the members of the Corporate Governance Committee during the year of 2025 which had been formed in order to comply with the applicable legislation with the Regulation on the Corporate Governance Principles of the Banks and its annex, the Corporate Governance Principles of the Banks. Yan Haisi continued to serve as the Chair Person of the Corporate Governance Committee in 2025. The Committee follows the Bank's progress in respect of the corporate governance principles and policies and informs the Board of Directors as it deems necessary.

The Bank attaches great importance to corporate principles and rules. In order to continuously update the corporate governance policies according to the legislative requirements and the Bank's progress and to perform activities in strict compliance with these policies, the Bank's Board of Directors, with guidance from its Corporate Governance Committee, has gone through all the related documents which need to be prepared/amended by the Board including but not limited to the Corporate Governance Committee Charter, Corporate Governance Policy and the Board of Directors Charter, and has applied necessary changes to some other policies and charters. Utmost importance is given to the comprehensive support of the Bank's systems to the effective operation of its corporate governance.

The Bank promotes innovative practices in corporate governance and constantly takes measures for the smooth operations of the Board of Directors and develops mechanisms and precautions in respect of information security and shareholder engagement. This supports the systematic decision-making and constructive work of the Board, promotes the transparency of the Bank and allows the Bank to properly meet its responsibilities to its shareholders as well.

The Bank enhances its corporate governance system in a forward-looking and exploratory manner. The Board of Directors pays close attention to the internal control and risk management and continuously endeavors to enhance the Bank's level of compliance with the legislation. In addition, the Bank closely monitors all the latest developments in domestic and international corporate governance principles and policies.

2) Information about the chairman and members of the board of directors, members of the audit committee, general manager and assistants and managers of the units within the scope of internal systems

Board of Directors

The Board of Directors constitutes of five board members. On the last Ordinary General Assembly meeting on March 26, 2024; Xiaoming Gao, who serves as the General Manager and an ex officio member of the Board of Directors, together with Xiaoqing Zhang and Özgür Dalgıç, were elected as members of the Board of Directors for a two-year term, and they continued to serve in their respective positions in 2025.

Pursuant to Article 363/1 of the Turkish Commercial Code, the Board of Directors resolved to appoint Yan Haisi on 5 December 2024 in place of Xiaofeng Zhang, and Lixin Guo on 3 November 2025 in place of Qingyan Zhao, in order to complete the respective terms of office of their predecessors who had resigned. At the latest Ordinary General Assembly Meeting held on 26 March 2025, the appointment of Yan Haisi was approved, while the approval of Lixin Guo's appointment is expected to be obtained at the first Ordinary General Assembly Meeting to be held in 2026.

Pursuant to the Board of Directors Resolution dated November 11, 2025, it was resolved that Mr. Xiaoqing Zhang would continue to serve as the Chairman of the Board of Directors, and Mr. Lixin Guo would serve as the Deputy Chairman (Vice Chairman) of the Board of Directors.

Name Surname	Duty	Assigned Date	Education	Professional Experience
Xiaoqing Zhang	Member of the Board of Directors Chairman of the Board of Directors	Elected as a Member of the Board of Directors at the General Assembly dated March 26, 2024. Elected as the Chairman of the Board of Directors with the decision of the Board of Directors dated March 27, 2024.	* Wuhan University, Finance, Phd * Tsinghua University, Business Administration, Master's Degree * Renmin University of China, Industrial Economics, Bachelor Degree	31 Years

Name Surname	Duty	Assigned Date	Education	Professional Experience
Xiaoming Gao	Member of the Board of Directors General Manager	He is the ex officio member of the Board of Directors since he is the General Manager of the Bank. Elected as a Member of the Board of Directors at the General Assembly dated March 26, 2024.	*University of International Business and Economics, Economics, Phd *University of International Business and Economics, International Trade, Bachelor Degree *Beijing Institute of Light Industry, Department of Automation Engineering, Computer and Application, Bachelor Degree	33 Years
Lixin Guo	Deputy Chairman (Vice Chairman) of the Board of Directors	Appointed as a Member of the Board of Directors with the resolution of the Board of Directors dated November 3, 2025. Elected as the Deputy Chairman (Vice Chairman) of the Board of Directors with the resolution of the Board of Directors dated November 11, 2025.	*Renmin University major of the Economics-Finance, Master's Degree * China Institute of Finance and Banking (merged into University of International Business and Economics in 2000)major of the International Finance, Bachelor's Degree in Economics.	32 Years
Yan Haisi	Member of the Board of Directors	Appointed as a member of the Board of Directors with the resolution of the Board of Directors dated December 5, 2024.	*Central South University, Finance, Master's Degree * Hunan University, Technical Economy, School of Economic Management , Bachelor's Degree	18 Years
Özgür Dalgıç	Member of the Board of Directors and Internal Systems Officer	Re-elected as a Member of the Board of Directors at the General Assembly dated March 26, 2024.	*Loughborough University, Banking and Finance, Master Degree * Ankara University , Business Administration, Bachelor Degree	34 Years

Managers of Internal Systems

Name Surname	Duty	Assigned Date	Education	Professional Experience
Onur Vural	Head of Internal Control & Compliance Department	17/12/2024	*ClarkUniversity, Institute of Social Sciences, Master in Business Administration *Hacettepe University, , Public Finance, Bachelor Degree	29 Years
Hülya Bayır	Head of Risk Management Department	04/05/2017	*Hacettepe University , Finance, PHD *Vanderbilt University, Economic Development, MA *Hacettepe University, Finance, MS *Ankara University, Finance, Bachelor Degree	34 Years
Gürkan Sezgün	Head of Internal Audit Department	04/05/2017	*Marmara University, Business Administration, Bachelor Degree	26 Years

Audit Committee

Name Surname	Duty	Assigned Date	Education	Professional Experience
Lixin Guo	Committee Chairman	November 11, 2025	Renmin Universitymajor of theEconomics-Finance, Master's Degree * China Institute of Finance and Banking (merged into University of International Business and Economics in 2000)major of the International Finance, Bachelor's Degree in Economics	32 Years

Özgür Dalgıç	Committee Member	May 4, 2017 (As per the Board of Directors Resolution dated April 29, 2025, he continues to the same duty.)	*Loughborough University, Banking and Finance, Master Degree * Ankara University , Business Administration, Bachelor Degree	34 Years
Xiaoqing Zhang	Committee Member	March 9, 2024(As per the Board of Directors Resolution dated April 29, 2025, he continues to the same duty.)	* Wuhan University, Finance, Phd * Tsinghua University, Business Administration, Master's Degree * Renmin University of China, Industrial Economics, Bachelor Degree	31 Years

Assistant General Managers

Name Surname	Duty	Assigned Date	Education	Professional Experience
Dalei Ding *	Assistant/Acting General Manager	Following his first time appointment on 03 June 2019, his appointment as the Acting/Assistant General Manager has been repeated by the Board resolution dated 19 July 2021.	* Central Finance and Economy Institute, Finance and Banking, Bachelor Degree	29 Years
Xin Jin	Assistant/Acting General Manager	Pursuant to the resolution of the Board of Directors dated 21 January 2026, it was resolved that he has been appointed as Assistant General Manager and Acting General Manager.	* Central University of Finance and Economics, Accounting, PhD	18 Years
Onur Sekizyeralı	Assistant General Manager	Pursuant to the resolution of the Board of Directors dated 23 December 2024, she was appointed as Assistant General Manager.	* Bilkent University Bachelor of Science in Management, Bachelor Degree	28 Years

(*) Mr. Dalei Ding resigned from his positions as Assistant General Manager and Acting General Manager and left his post on February 4, 2026

3) Information on the mandate and professional experience of the auditors

In the General Assembly Meeting dated 26 March 2025, Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi was authorized about auditing process and preparation of audit reports. The audit agreement is for 1-year term.

4) The activities of the credit committee and the committees affiliated to the board of directors or established under the risk management systems in accordance with the internal systems of banks to assist the board of directors and the names and surnames of the chairman and the members of these committees and their essential duties

Audit Committee

The Committee, in accordance with the provisions of the Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Procedure has been established to support to Board of Directors by monitoring the integrity of financial statements, the operations of internal systems and other aspects of the Bank's financial management in accordance with the duties and responsibilities as well as to set up and maintenance of necessary processes to ensure compliance of the Bank with all applicable laws, other regulations and internal regulations. Members of the Committee is composed of Lixin Guo (Committee Chairman), Xiaoqing Zhang and Özgür Dalgıç who are non-executive directors of Board. Özgür Dalgıç who is located in Türkiye also serves as Internal Systems Officer in the Bank. During the year, the Audit Committee convened 4 times and took 6 resolutions.

Risk Committee

The Committee has been established to assist the Board of Directors in monitoring the risk management structure of the Bank; the Bank's risk management and risk assessment guidelines and policies required to fulfill the duties and responsibilities of the Committee regarding market, credit, operations, liquidity, strategy, reputation risks and other risks; the risk tolerance and appetite of the Bank; the capital, liquidity and funds of the Bank and the risk management performance of the bank. Committee Members is composed of Xiaoming Gao (General Manager); Yan Haisi (Chairman of the Committee) and Özgür Dalgıç (Internal Systems Officer) who are the Board members. The regular reports have been submitted to Committee for information and Committee took 3 resolution.

Steering Committee on Prevention of Anti Money Laundering

The Committee has been established to ensure that the Bank's compliance with the anti-money laundering and counter-terrorism legislation and the global Bank of China policies and procedures, and the implementation of its policies and procedures to carry out the Compliance program in accordance with the legislation and global policies, to review them in case of new regulations and amendments in the relevant legislation, to evaluate the impacts on the Bank, and to assess the issues identified in the examinations by internal and external auditors and regulators, and to determine and evaluate the risk appetite for the prevention of financing of money laundering and terrorism.

Committee Members is composed of the General Manager Xiaoming GAO and Internal Systems Officer Özgür Dalgıç who are co-chairman of the Committee, Assistant General Manager Dalei Ding, and Assistant General Manager Onur Sekizyuralı, Head of Internal Control and Compliance Onur Vural, AML and Compliance Manager Nazlı İpek Tüzün, Head of Banking Services Department Zhi Gu as part of the committee and Head of Internal Audit Gurkan Sezgun is part of the committee without having voting right and other participants could be involved upon agenda of the Committee, if needed. The committee was convened quarterly and was discussed the updated AML and Combatting the Finance of Terrorism Policy, KYC Process, FATF Evaluation, the AML Steering Committee Charter, recent developments about the E.U and the U.S sanctions, and sanctions screening activities of the Bank.

Remuneration Committee

With remuneration policy, Bank of China Turkey A.Ş. aims to create an effective remuneration system, hire capable employees who will support the Bank to reach its goals and provide a sustainable process.

In order to carry out the supervision of the Bank's remuneration policy and its implementation on behalf of the Board of Directors, a Remuneration Committee was established in accordance with the regulations of the Banking Regulation and Supervision Agency and Bank of China policies.

The current structure of Remuneration Committee is below:

Name Surname	Duty
Lixin Guo	Committee Chairman
Xiaoqing Zhang	Committee Member

The meeting is held as often as required by the Remuneration Committee with the condition of meeting at least once a year.

The Remuneration Committee reviews the remuneration policy of the Bank at least once annually, with a purpose to assess if changes are required. In order to ensure effectiveness of remuneration policy, the Board of Directors review it at least once a year as well. During the year, the Remuneration Committee convened 1 time and approved 2 resolutions.

In the implementation of remuneration practices in Bank of China Turkey A.Ş., “The Guide for Best Remuneration Practices in Banks” which is published by BRSA in 31 March 2016 dated Official Gazette are taken into consideration as reference.

Corporate Governance Committee

The Committee’s purpose is to act on behalf of the Board in fulfilling the following responsibilities:

- Oversight of corporate governance practices of the Bank, including review of the Bank’s Corporate Governance Guidelines and carry out development studies in this regard;
- Annual performance evaluation process of the Board and its committees;
- Oversight of the Bank’s regulatory compliance with corporate governance principles and carry out development studies in this regard
- Making suggestions to the Board, when necessary, regarding corporate governance issues.

The meeting is held as often as required by the Corporate Governance Committee with the condition of meeting at least once a year.

The current structure of the Corporate Governance Committee which was first constituted on 04/05/2017 is as follows:

Name Surname	Duty
Yan Haisi	Committee Chairman
Xiaoming Gao	Committee Member
Özgür Dalgıç	Committee Member

Credit Committee

The Credit Committee is the mechanism for credit evaluations and decision-making of the Bank. Credit Committee has the responsibility to approve new credit proposals and annual reviews (including modifications and changes to conditions) within the scope of Delegated Level of Authority defined by Board. Duties, responsibilities and working principles of Credit Committee are defined in Credit

Committee Charter. Since the Board of Directors and the Credit Committee are composed of the same members, there is no actual Credit Committee.

5) Information on the attendance of the members of the Board of Directors and the audit committee and other subcommittees to the relevant meetings held during the accounting period

The Board of Directors met a total of 4 times in 2025 in accordance with the Bank's Articles of Association. During 2025, Qingyan Zhao attended 2 audit committee meetings, Xiaoqing Zhang attended 3 audit committee meetings, Lixin Guo attended 1 audit committee meeting and Özgür Dalgıç attended 4 audit committee meetings.

6) Audit committee's assessments on the operation of internal control, internal audit and risk management systems and information about their activities within the accounting period

The departments of the Bank within the scope of internal systems are the Internal Control and Compliance; Internal Audit and Risk Management. These departments are carried out as directly reported to the Internal Systems Officer and the Audit Committee and independent from each other and the executive units. Internal systems and Audit Committee activities are carried out as compliant with the regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process and in line with the Bank's scope of transactions and activities. Committee convened 5 times and took 7 resolutions and informed the Board of Directors by reports.

Internal Control and Compliance Department is carried out in accordance to Internal Control and Compliance Policy, which is based on the Banking Law, Law on Prevention of Laundering Proceeds of Crime, Law on Prevention of the Financing of Terrorism and related sub-regulations and Bank of China global practices. Internal Control and Compliance is authorized to monitor, inspect and control all activities in the units /departments of the Bank. Internal Control and compliance activities and how they will be performed are designed together with the relevant units by Internal Control and Compliance, taking into account all the characteristics of the activities carried out by the Bank. Compliance activities are; in order to ensure compliance of all activities and new activities carried out and planned by the Bank with all applicable laws and other applicable legislation giving priority to the legislation regarding the prevention of laundering of criminal proceeds and the fight against financing of terrorism; monitoring all applicable legislation, reviewing new legislation or amended regulations and informing and directing personnel; committees and senior management, Audit Committee / Internal Systems Responsible and Board of Directors of the Bank to a necessary extent.

Reports were prepared within the scope of Internal Control and Compliance Policy and Audit Committee and Senior Management were informed.

In this scope;

- Following the legislative amendments, top management and related units were informed, opinions on draft amendments were given and opinions were drawn on the questions of the top management and in-bank units regarding the legislation.
- New decisions and actions taken by the authorities were closely monitored and necessary measures were taken within the bank.
- Reviewed policy, procedure and application instruction within the Bank were assessed within the framework of banking regulations.
- Internal control activities were carried out regularly and Internal Control Reports were prepared quarterly.
- IT Internal Control Plan was prepared and which was presented to Audit Committee approval and the activities were carried out within this context.
- Internal policy and procedures regarding the prevention of money laundering have been reviewed and updated. Sanctions were followed meticulously and if necessary reported to senior management.
- Bank's relations were coordinated with other public authorities, primarily the BRSA, and matters required by the bank were presented both relevant authority and TBB.
- Periodic corporate risk assessments have been carried out in accordance with global policies regarding the evaluation of the efficiency of the implemented monitoring and control activities, residual risk and inherent risk.
- Rectification Management Procedure which regulates the correction process of the findings detected by Regulatory Agency, Independent and internal auditor and mother company auditors was enacted.
- Annual AML training were planned to be given to staff on legislation, compliance program of the Bank and sanctions, coordinated the training service and attended the annual MASAK workshop designed by TBB.
- The product risk analysis requested by MASAK, the national risk assessment study, as well as other risk analysis studies were completed and forwarded to MASAK via TBB. A statistical report on audit and training activities was prepared and sent to MASAK at the end of the first quarter.

Risk management activities are the management of the risk caused from banking activities in accordance with the risk policy by considering the scale of the Bank and its activities.

In this scope,

- The General Risk Appetite and Limit Policy, Liquidity Risk Management Policy, Liquidity Contingency Plan and Contingency Management Policy for Sudden Risk Events have been revised and approved by Board of Directors. Internal Capital Adequacy Assessment Process is being coordinated by involvement of all other relevant departments.

- The Risk Committee, the Audit Committee and the Senior Management and the Board of Directors are informed about the Bank's risks through periodic reports.
- The risk limits are reviewed regularly by the Internal Systems Officer, Head of Risk Management, Risk Committee and the Bank's senior management in a way not to exceed the legal limits stated in the legislation and if deemed necessary, they are redefined with the approval of the Board of Directors.
- Risks are measured according to international and local regulations, Bank policies and procedures, using methods accepted in international practices appropriate to the Bank's structure, stress test and scenario analyzes are carried out and reported regularly to senior management, Risk Committee and Board of Directors. Risk measurements are included in the Bank's decision-making processes.

In the scope of Internal Audit activities;

- The Annual Internal Audit Plan, IS Internal Audit Plan, Risk Assessment Report and Risk Matrix were prepared and audits were carried out in accordance with the plan. Related units' responses were taken, corrective actions were scheduled and followed up, Audit Committee, Senior Management and Board of Directors were informed.
- 2025 Management Assertion Audit Plan was prepared and the audit activities were carried out and the results were shared with the Independent Auditor by obtaining the approval of the senior management and the Board of Directors.
- Meetings were held with the independent auditors and independent audit activities, the findings were evaluated, corrective actions were taken and monitored, the senior management, the Audit Committee and the Board of Directors were informed.

7) A summary Board report submitted to the General Assembly

We believe that 2025 was a successful year for Bank of China Turkey A.Ş.

As of December 31, 2025, the Bank's total assets stood at TL 10,245,966 thousand (31 December 2024: TL 6,434,022 thousand), total loans at TL 265,687 thousand (31 December 2024: TL 500,428 thousand) and customer deposits except for Bank's deposits at TL 5,969,504 thousand (31 December 2024: TL 2,119,725 thousand) .

As of the end of 2025, the Bank's net profit was TL 884,085 thousand (31 December 2024: TL 807,284 thousand). As of December 31, 2025, the Bank's total equity amounted to TL 3,798,512 thousand (31

December 2024: TL 3,044,109 thousand) with a capital adequacy ratio of 25.15% (31 December 2024: 29,44%).

Bank receivables, the major component of Bank's assets amounted to TL 1,143,742 thousand (31 December 2024: TL 1,853,218 thousand), excluding receivables from the Central Bank of Türkiye.

Cash and Central Bank of Türkiye, the component of Bank's assets, reached TL 5,723,185 thousand (31 December 2024: 2,414,334) at year's end. Loans reached TL 265,687 thousand (31 December 2024: 500,428) at year's end, decreased by 47% compared to 2024.

At year-end 2025, Bank of China Turkey A.Ş., reported total assets as TL 10,245,966 thousand (31 December 2024: TL 6,434,022 thousand), increased by 59% year-to-year,

Bank of China Turkey A.Ş. reported TL 1,340,746 thousand (31 December 2024: TL 1,231,779 thousand) net interest income in 2025. The Bank's net profit is TL 884,085 thousand (31 December 2024: TL 807,284 thousand) for the fiscal year. The average return on equity was 23,27% in 2025, which was 26,52% in the previous year.

We will continue to strengthen our Bank, expand our product and service coverage, and diversify our financing capability to better serve our customers and grow stronger and stronger.

8) Information on human resources applications

The Bank's vision is to be a globally preferred Bank in Türkiye by providing services that add high value to society.

The Bank's mission is to provide financial services that create excellent values for its customers and shareholders, by strengthening the financial cooperation between Türkiye and China. It is aimed to support the trade between two countries while contributing to the realization of the China's "One Belt One Road" initiative and Türkiye's "the Middle Corridor Plan".

The Bank's values;

- Professionalism
- Integrity
- Performance
- Responsibility
- Innovation
- Prudence

In the recruitment processes, the Bank concentrates to hire new employees who are in line with the global values of the Bank, who pursue excellence, are honest, responsible, open to development and are

prone to team work. In the future, the Bank aims to hire experienced and competent professionals in line with its vision, mission and values.

With performance management process, the Bank aims to achieve to establish moderate incentive and constraint mechanism, to enhance the duty performance capacity of employees at various levels and to improve the employees' career development and performance advancement.

As of 31 December 2025, number of employees in Bank of China Turkey A.Ş. is 54 (31 December 2024: 46) Bank of China Turkey A.Ş. pays attention to the implementation of the remuneration policy by providing equal opportunities to our employees, and ensuring that the practices related to remuneration and promotion are in compliance with the relevant legislation, ethical values and strategic objectives of the Bank.

With the remuneration policy, the Bank aims to bring new professionals to the Bank and to increase/maintain the motivation of the employees who has high level of performance. In the process of determining the remuneration policy, sectorial data are taken into consideration in order to show a competitive attitude in the sector, to bring new competent and experienced professionals to the Bank and increase the motivation of the employees. Within the budget of the relevant year, salary increases are mainly based on some factors such as general inflation level in Türkiye and the employee's performance in the relevant period.

It is aimed in the Bank to support the professional and personal development of the employees through training and development activities such as internal trainings, oversea trainings organized by the Parent Company in China and online trainings carried out by the London Training Center and New York Global Training Center.

9) Transactions of the Bank with the related risk group

The Bank carries out various transactions with the Group companies within the scope of its activities. The resulting profit/loss are associated with the income statement.

The operations of Bank of China Turkey A.Ş. with its risk group including the summary information are explained in detail in the footnotes of the financial statements.

Amount – Thousand TL	2025	2024	2023
<i>Balance Sheet</i>			
Banks	1,123,364	269,159	230,552
Derivative financial assets valued at fair value through profit and loss	-	-	-
Derivative financial liabilities valued at fair value through profit and loss	-	-	-

Banking Deposits	1,167	1,167	298
Borrowings	-	882,008	409,873
Other Liabilities	-	-	-
<i>Income Statement</i>			
Interest Income from banks	3,385	2,164	2,880
Interest Expense to banks	980	6,514	8,858
Fees and Commissions Income	228,597	213,702	179,361
Fee and Commission Expense	-	-	-
Profit on Derivative Financial Transactions	-	-	-
Loss on Derivative Financial Transactions	-	-	41,785
Loss on Spot Financial Transactions	-	-	-
<i>Off-Balance Sheet</i>			
Guarantees and Letter of Credits	576,972	524,653	430,529
Derivatives	-	-	369,298

10) Information on the activities of the members of the governing body on behalf of the Bank itself or its printing activities and the activities within the scope of the activities within the scope of the competition bank

The Board of Directors members have made no transaction with the Bank on their or other persons' behalf pursuant to the permission given by the General Assembly and no activity within the scope of noncompetition has been carried by the board members.

11) Information on the subjects of activity and the persons and institutions from which the support is received in accordance with the regulation on authorization of Banks' support services and authorization of support service organizations

Name of Supporting Service Company	Explanation of Service
Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş.	Core Banking Application License and Application Service, Software Development and Support Service
NGN Bilgi Teknolojileri Veri Merkezi Hizmetleri ve Danışmanlık A.Ş.	Primary Data Center Server Hosting Service
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	Disaster Recovery Centre Server Hosting Service

Maro Uluslararası Bilgi Teknolojileri Danışmanlık, Geliştirme, Destek Hizmetleri Sanayi ve Ticaret A.Ş.	TCMB IBS system integration application development and support service
Fineksus Bilişim Çözümleri Ticaret A.Ş.	PayGate Maestro, PayGate Inspector Licence, PayGate KYC Development and Support
Softay Yazılım ve Bilişim Teknolojileri Ltd. Şti	Document Management System Licence, Development and Support

C- FINANCIAL INFORMATION AND RISK MANAGEMENT ASSESSMENT

1) Independent Auditor's report

The attached independent auditor's report as of 31 December 2025 is presented to General Assembly.

2) Information on risk management policies and risk management explanations by risk types

Risk management covers the measurement and monitoring of risks, the control and reporting of risks within certain limits. Risk Management is independent from the executive units and fulfills her responsibilities to the Board of Directors through the Internal Systems Officer, Audit Committee and Risk Committee.

The policies for each of the quantifiable risks such as Enterprise Risk Management Policy and Credit Risk, Market Risk, Liquidity Risk, Operational risk have been established for the determination, measurement and control of the risks that the Bank may be exposed to due to its activities and have been approved and enacted by Board of Directors.

For these risks, written limits, early warning thresholds and risk appetite indicators were determined by the General Risk Limit Policy and approved by the Board of Directors.

Reputational Risk Appetite Policy has been approved by Board of Directors to improve the level of reputational risk management, and reduce the impact of and losses arising from reputational risk events. The Internal Capital Adequacy Assessment Procedure for the determination of the internal capital requirements and the adequacy of the Bank has been approved by the Board of Directors.

The risk limits are reviewed regularly by the Internal Systems Officer, Head of Risk Management, Risk Committee and the Bank's senior management in a way not to exceed the legal limits stated in the legislation and if deemed necessary, they are redefined with the approval of the Board of Directors. International Financial Reporting Standard 9 (IFRS9) Impairment Methodology Document has been approved by IFRS9 Committee as a procedure. Stress Test Implementation Fundamentals Procedure has been approved for application of stress tests.

Risks are measured according to international and local regulations, Bank policies and procedures, using methods accepted in international practices appropriate to the Bank's structure, stress test and scenario

analyses are carried out and reported regularly to senior management, Risk Committee and Board of Directors. Risk measurements are included in the Bank's decision-making processes.

The Bank started working with a consultancy firm to increase its capacity on sustainability and climate risk.

Credit Risk Management

The Bank identifies the credit risk as the credit risk by the borrower or by the counterparty from failing to pay the loan or failing to fulfill a contractual obligation. The general principles related to the credit risk management of the Bank are determined within the framework of the Credit Risk Management Policy and the limits for risk appetite are determined within the framework of the General Risk Limit Appetite and Policy:

The Credit Policy has been established and approved by the Board of Directors in order to establish a credit risk management framework to manage credit risks; to help maintain a high level of credit portfolio quality; to support early detection and active management of real and potential credit issues in order to minimize the financial losses, and to ensure compliance with local legislation and main shareholder regulations on general and specific loan provisions. Together with the credit policy, Credit Allocation Procedure, Credit Monitoring Procedure, Loan Disbursement Procedure, Asset Classification Procedure, Periodic Inventory of Credit Assets Procedure, Customer Credit Rating Procedure and Collateral Procedure constitute the Bank's credit risk management framework. The International Financial Reporting Standard 9 (IFRS9) Policy was approved by the Board of Directors as the Bank started to allocate provisions according to IFRS9 Methodology in 2020.

The main principle of the credit risk policy is to monitor and control the risk yield structure arising from the credit risk of the Bank and when necessary, determine the policies for correction; to identify, measure, report, monitor and control the risks to which the Bank is exposed when determining the procedure and limit and the risks arising from the transactions with the risk group of the Bank.

In order to mitigate all risks related to errors, deficiencies, irregularities and abuses and to prevent conflicts of interest; marketing, approval, disbursement and monitoring tasks of loans are executed by the authorities of different units by taking into consideration the principle of segregation of duties.

Credit limits are determined in line with the risk appetite of the Bank by taking into consideration the activity area of the companies, sector seasonality, risk profile, loss history, collateral structure and maturity of the loan. Credit limits are checked at both the counterparty level and the group level.

A rating system is used for the evaluation and examination of credits in the Bank; for discovering of early warning signals of deteriorated risks to allow for special monitoring of loans; for effectively managing problematic loans and for producing proper and effective risk-based pricing mechanisms.

The principle of triple defense line has been adopted in the management of credit risk. Controls of operational unit are the first line of defense; risk management, legal compliance and internal control the second line of defense; Internal Audit is the third line of defense. The Bank's credit risk measurement and monitoring activities are carried out directly by Risk Management under the Internal Systems Officer.

The Senior Management, Risk Committee and the Board of Directors are regularly informed about developments in the quality of the loan portfolio, stress test and scenario analysis, and limits on risk appetite.

Market Risk Management

Bank defines the market risk as the risk of loss in value and return of in or off balance sheet assets as a result of changes in rates and prices in financial markets. Within the framework of the market risk policy, the Bank's basic principles regarding market risk management, duties and responsibilities of the parties involved in market risk management and the process of measuring, monitoring and reporting of market risk have been determined.

The limits for risk appetite are determined by the Board of Directors in the General Risk Appetite and Limit Policy and monitored in this scope.

Liquidity Risk Management

The Bank identifies 'liquidity risk' as the risk that the Bank may fail to meet funding requirements or may fail to do so at a reasonable cost.

Under normal and stressful market conditions, liquidity risk is defined, measured, limited and reporting standards are set by Liquidity Risk Management Policy. This Policy is reviewed by the Risk Committee every year and approved by the Board of Directors when necessary. Where there is a significant change in the Bank's business strategy or legal requirements, the Board of Directors approves these changes in line with the recommendations of the Risk Committee.

The Bank's appetite for liquidity risk is determined under the General Risk Appetite and Limit Policy . Business units are responsible for complying with the risk appetite determined within the framework of the General Risk Limit Policy and to remain within the limits.

Operational Risk Management

The operational risk management framework includes all processes of identifying, measuring, evaluating, controlling, reducing, monitoring and reporting the operational risks that the Bank is exposed to. The Bank considers the need for operational risk management in strategic and operational planning, daily and operational risk management and decision taking mechanism at all levels within the organization. Activities are carried out to establish the operational risk culture across the Bank.

3) Financial benefits to members of the board of directors and senior executives

Total amount of the granted monetary advantages such as salary, premium, bonus to the Board of Directors members, within the year of 2025, is net amounting to TL 5,728 thousand (31 Dec 2024: TL 18,019 thousand). There is no such payment made to the Board members not holding a certain executive or non-executive position/duty in the Bank. No attendance fee has been paid to any of the Board members.

4) Information on ratings if any and ratings provided by rating agencies

None.

5) Information on the Bank's investments in the related accounting period

Tangible Asset Investment:

As of 31 December 2025, the Bank has tangible fixed assets amounting to TL 153,795 thousand (31 December 2024: TL 57,222 thousand).

An important part of tangible fixed assets consists of operating lease development costs, vehicle, furniture and furnishing and office machinery mainly related to IT.

Investment in Intangible Assets:

As of 31 December 2025, the Bank has intangible assets amounting to TL 35,431 thousand (31 December 2024: TL 12,569 thousand).

Intangible assets are the operating license and development costs that the Bank pays for its systems.

6) Information on direct and indirect subsidiaries and shares of the Bank

The Bank does not have any direct or indirect affiliates.

7) Information on the Bank's own shares

None.

8) Explanations on the special audit and public audit in the accounting period

Quarterly limited audits and annual audit were conducted by the independent auditors of the Bank.

9) Information on the lawsuits against the Bank and the cases and possible results that can affect the Bank's financial status and activities

None.

10) Explanations regarding the administrative or judicial sanctions imposed on the members of the bank and the governing body due to unlawful practices

None.

11) Information on the rationale and the reasons if the general assembly resolutions were not fulfilled, if the objectives were not met or if the resolutions were not fulfilled in the past periods

Decisions of the past General Assembly were fulfilled.

12) Extraordinary general assembly meetings within the year

No extraordinary general assembly meeting was held in 2025.

13) Information on the donations and assistance provided by the Bank within the year and expenditures within the framework of social responsibility projects

None. (2024: None)

14) Legal transactions with the beneficiary company or a company based on a dominant enterprise or a legal entitlement to the benefit of a company dependent on the company, and other measures avoided for the beneficiary company or a company dependent on it in the previous year

Bank of China Turkey A.S. has performed legal transactions with Bank of China Limited and its foreign subsidiaries in the form of financial transactions. None of these legal transactions were performed in accordance with the initiative or interest of Bank of China Limited or its related companies.

In all these legal proceedings, the agreements were concluded as it is signed between third parties. In accordance with the initiative or interest of Bank of China Limited or its affiliated companies, no prevention has been applied that would result in damage to the Bank.

Information on the transactions carried out within the Group Companies is detailed in the Bank's Affiliation Report.

15) Information if legal process is taken or the measure is taken or avoided at the moment according to their own circumstances and conditions, according to each legal act is provided in an appropriate manner and whether the provision of measures taken from the company to prevent the damage of the company did not hurt, whether the loss of the Company is not equivalent or equalized

As of the date of the transactions conducted between Bank of China Turkey A.S. and Bank of China Limited and other subsidiaries of the main shareholder, there are no circumstances or conditions existing for the beneficiary of Bank of China Limited or its affiliated parties.

There is no measure taken by the Bank in favor of these companies and there is no harm to the Bank.

D- FINANCIAL INFORMATION

1) Analysis and evaluation of the management body on the financial situation and activity results, the degree of realization of the planned activities, the status of the Bank against the determined strategic targets

During 2025, the number of customers and transaction volume increased in line with Bank of China Limited's global strategies. In 2025, we aim to reinforce the perception of a reliable, permanent and global business partner by establishing long term relationships with its customers.

In line with the targets set by the Board of Directors, an annual budget is created and the compliance of the operating results with the budget is monitored. Profit/Loss Balances, Balance Sheet and risk-

weighted assets are approved by the Board of Directors within the scope of the internal capital adequacy process.

The decisions taken by the General Assembly are carried out by the Board of Directors without exception.

2) Information on the Bank's sales, efficiency, revenue generation capacity, profitability, debt / equity ratio and other issues that will give an idea about the results of bank operations compared to previous years and prospective expectations

Bank of China Turkey A.Ş. started its activities on May 09, 2018 after a rather long intense preparation period. During 2025, Bank of China Turkey A.Ş., Receivables from banks, the major component of our Bank's assets, amounted to TL 1,143,742 thousand (31 December 2024: TL 1,853,218 thousand), excluding receivables from the Central Bank of Türkiye. During 2025, Cash and Balances at Central Bank of Türkiye, the other key item of the Bank's assets, reached TL 5,723,185 thousand (31 December 2024: TL 2,414,334 thousand) at year's end. Loans, another component of our Bank's assets, reached TL 265,687 thousand (31 December 2024: TL 500,428 thousand) at year's end, decreased by 47% compared to 2024. Cash loan is in foreign currencies.

On the liabilities side, Bank of China Turkey A.Ş. has no borrowings in 2025 (31 December 2024: TL 882,577 thousand). Demand and time deposits from clients are TL 5,244,243 thousand (31 December 2024: TL 2,022,975 thousand), increased by 159% compared to 2025.

Bank of China Turkey A.Ş. reported net interest income of TL 1,340,746 thousand (31 December 2024: TL 1,231,779 thousand) in 2025. Profit before taxes from continuing operations amounted to TL 1,235,530 thousand (31 December 2024: TL 1.144.684 thousand). The Bank's net profit is TL 884,085 thousand (31 December 2024: TL 807,284 thousand) for the fiscal year.

As of 31 December 2025, the Bank has a total of TL 12,773,571 thousand (31 December 2024: TL 8,579,135 thousand) non-cash loans consisting of letters of guarantee amounting to TL 576,972 thousand (31 December 2024: TL 524,653 thousand) and other guarantees amounting to TL 12,196,599 thousand. (31 December 2024: TL 8,054,482 thousand)

As of 31 December 2025, the Bank reported total shareholders' equity of TL 3,876,196 thousand (31 December 2024: TL 3,092,672 thousand), which is increased by TL 783,524 compared to 2024.

As of 31 December 2025, the Bank's capital adequacy ratio is 25,15 % (31 December 2024: 29,44%) and is well above the minimum rate determined by the relevant legislation. At the same time, the Bank's liquidity and FX rates are above the minimum level determined by the legislation.

3) Assessment and management body evaluations regarding whether the capital of the Bank is unrequited or whether it is submerged in debt or not

None.

4) Measures to be taken to improve the financial structure of the Bank, if any

None.

5) Explanations on government incentives

None.

6) Information on the dividend distribution policy and the proposal on how to use the undistributed profit if the profit distribution will not be made

The legal reserves are allocated to the first and second reserves in accordance with Turkish Commercial Code (TTK). First legal reserves are allocated as 5% of the profit until the total reserves reach 20% of the paid-in capital.

Second legal reserves are allocated as 10% of the profit until the total reserves reach 5% of the paid-in capital.

At the Ordinary General Assembly meeting held on March 26, 2025, in accordance with the profit distribution proposal of the Bank's Board of Directors, it was decided that TL 63,229 of the 2024 net profit of TL 807,284 would be set aside as reserves, TL 631,548 would be transferred to undistributed profits, and TL 112,508 would be distributed as dividends to partners. The transfer of TL 807,284 to reserves and dividend payable accounts was completed on March 27, 2025. All dividends were paid to shareholders on May 28, 2025.

Bank's net income of 2025 after tax TL 885,085 is retained at previous years' profit account. The authorized body of the Bank regarding the distribution of profit is the General Assembly and as of the date of these financial statements, the annual ordinary General Assembly has not been held yet. As of the report date, there is no decision taken regarding the profit distribution for year 2025.

Figures are all in thousand.

7) Summary financial information for a period of five years including the reporting period

The comparative financial information of the Bank for the past periods is presented in the previous sections of the Annual Report.

E- OTHER

- 1) **Disclosures about special events that occurred in the Bank after the end of the operating year and which may affect the rights of shareholders, creditors and other related persons and organizations**

None.

- 2) **Additional information deemed appropriate by the governing body**

None.