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TSKB GREEN / SUSTAINABLE BOND

ALLOCATION & IMPACT REPORTING 2017

TSKB

CEO's MESSAGE

Our financial indicators point out to one of the most successful periods in TSKB's history in terms of supporting development.

Esteemed Shareholders,

Clients,

Investors,

Valuable Business Partners,

In 2016, the economic outlook was marked by uncertainties and limited growth all around the world while our country survived a challenging period due to conflicts in the Middle East and the globally increasing number of terrorist attacks. We believe we are going through a period when all individuals and organizations must act in an unprecedented spirit of solidarity, understand each other better and assume relevant responsibilities for the economic development of our country.

As TSKB that has adopted the mission to support Turkey's development since 1950, we take this belief as the basis for continuing to fulfill our responsibilities today as it has been the case so far.

Having left a challenging year behind, the financial results we delivered are significant in displaying not only the strengthened position and reputation of our Bank, but also our mobilization of the funds we have for the growth of our economy.

As of December 31, 2016, total assets of our Bank expanded by 15.8% annually to TL 24 billion. Throughout the year, TSKB's support to real economy via cash and non-cash loans has been around USD 2.1 billion. While foreign funds secured from international markets reached TL 19.3 billion at a time when variable market conditions and weak investment appetite dominate, our loan growth in TL was over the industry average at 26.7% while it undershot our target on fx-adjusted basis, with 8.2%. Cash loans reached TL 17.3 billion with a balance sheet share of 72%. The share of SME loans within the total loan portfolio was 18%. Our successful loan assessment processes and risk-sensitive loan portfolio management approach enabled us to limit our non-performing loan ratio to 0.3%, way

below the industry average.

In 2016, our shareholders equity rose by 17.7% to reach TL 3 billion. Thanks to our efficiency focused efforts, our Bank delivered an average annual return on equity of 17.6% and an average annual return on assets of 2.1%, while the net profit posted was TRY 476 million with 17.1% pick up on a year-on-year basis.

SUSTAINABILITY IS AT THE CORE OF ALL TSKB STRATEGIES

Sustainability emerges as the key concept at a time when technology develops so rapidly and industrialization increases at a similar pace. As one of the organizations adopting the concept of sustainability at a very early stage in our country, TSKB uses its experience and expertise in sustainability to create value for all its stakeholders. Sustainability loans attained a weight of 57% within the total loan portfolio of TSKB. We support the reduction of current accounts deficit through an installed capacity of 5,332 MW in renewable energy projects which we have funded, the acceleration of transition to a low-carbon economy through the prevention of a 13-million-ton carbon emission on an annual basis, and the production of the real sector with a higher performance through energy, water and resource efficiency investments.

In 2016, we had success in turning our efforts to improve the added value we provide in sustainability work into positive business results. In May, we issued the "Green/Sustainable Bond" on international markets and emerged as the first Turkish bank to do so. Moreover, we extended a total fund of USD 300 million to investments offering a solution to climate change as well as a social benefit. This bond issuance attracted a demand of 44% from the UK, 39% from Continental Europe, 9% from U.S. off-shore funds and 8% from Asia and the Middle East, indicating a high level of recognition and reputation for our Bank on a vast geography. The issuance received three different awards in 2016, one from GlobalCapital, one from Bonds&Loans and the other from the International Financing Review (IFR) and thus crowned our sustainability efforts aiming to create economic and social added value.

Despite uncertain market conditions in 2016, our Bank signed 6 new funding agreements with DFIs to strengthen its funding base. In 2016 the funds secured from DFIs reached up to USD 733 million.

As a result, the total foreign currency funds that we obtained from international markets as well as our Green/Sustainable Bond issuance and syndicated loan facility that was rolled over with 107%, mounted to USD 1.3 billion.

As I conclude my remarks, I would like to offer my heartfelt thanks to our esteemed shareholders and to our clients, investors and valuable business partners for confiding in and supporting us.

We hereby present the first Impact and Allocation reporting of TSKB.

Sincerely,

Suat INCE
CEO

TSKB at a glance

TSKB was established in 1950 in Istanbul as Turkey's first private development and investment bank with the support of the World Bank and the Central Bank of the Republic of Turkey and the shareholding of commercial banks.

The Bank operates in three main fields, namely Corporate Banking, Investment Banking and Consulting Services. TSKB has its headquarters in Istanbul with two branches in Ankara and Izmir. Extending medium and long-term loans for financing investment projects, TSKB's loans have a concentration on production and services sectors. TSKB not only extends direct loans to finance the investments of private sector organizations but also supports SMEs and exporters with indirect loans through leasing companies, commercial banks and participation banks within the scope of wholesale banking (APEX banking). TSKB does not collect deposits and meets its need for medium and long term funds through the funds it obtains from national, regional and supranational financial institutions and bond issues.

Mission

For Turkey's sustainable development:

- *Supply entrepreneurs with medium- and long-term financing,*
- *Brokerage and advisory support,*
- *Play a continuous role in the development of capital markets in Turkey,*
- *Create increasingly more added value for our shareholders, customers, employees, and all other stakeholders.*

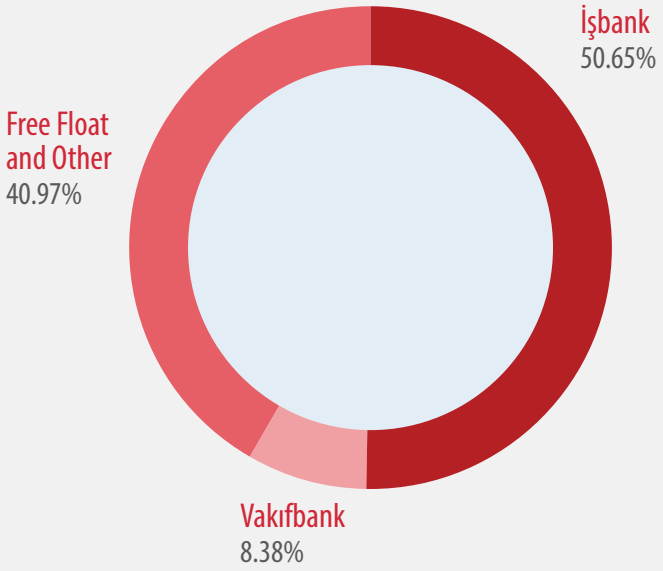
Vision

To be the pioneering bank in Turkey's sustainable development.

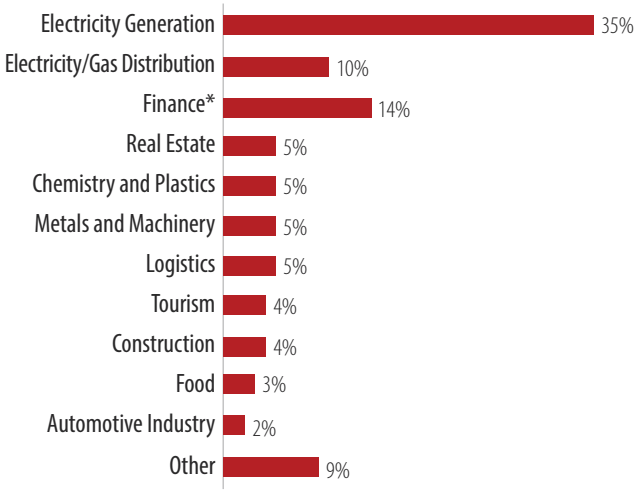
PIONEERING ROLE IN MULTIPLE AREAS OF THE TURKISH BANKING SECTOR

› First development bank of Turkey
› First equity participation of International Financial Corporation in Turkey
› First issuance of private sector bonds
› First issuance of bonds outside Turkey in Turkish Economic history
› First bank in Turkey to have its accounts voluntarily audited by an independent audit company
› First bank in Turkey to integrate environmental due-diligence in the credit appraisal process
› First bank in Turkey to get ISO 14001 Certificate
› First bank in Turkey to set-up an Environmental Management System
› First carbon-neutral bank of Turkey
› First bank to issue a Green/Sustainable Bond in Turkey

TSKB'S SHAREHOLDING STRUCTURE

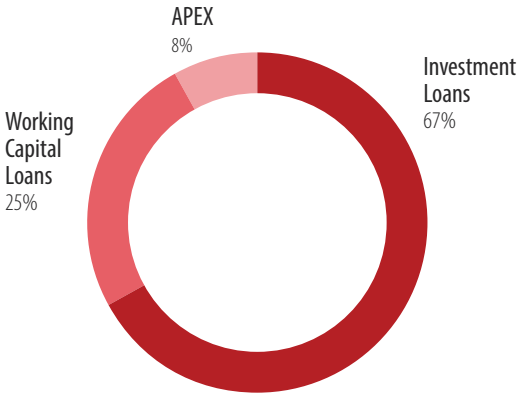


Sectoral Breakdown of Loans

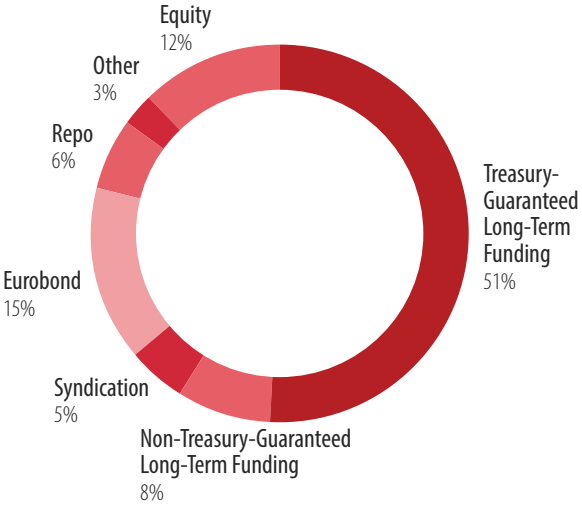


* includes APEX Banking.

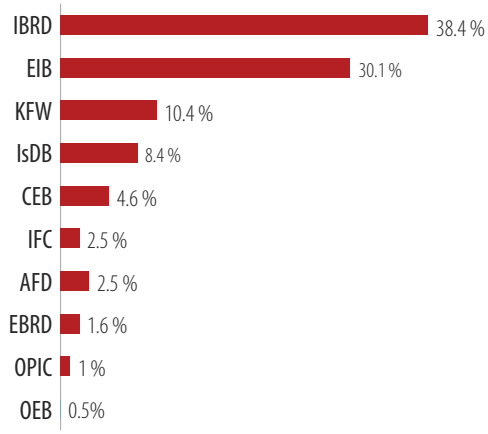
Loans by Type



Composition of Liabilities



Distribution of Thematic Long-Term Funding with respect to DFIs



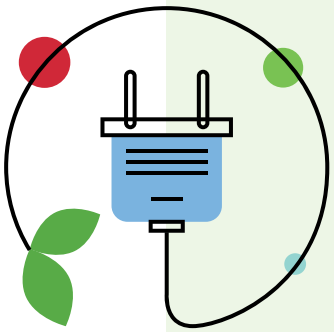
Renewable Energy Projects

SUPPORT TO TRANSITION TO LOW CARBON ECONOMY WITH SUSTAINABILITY INVESTMENTS

Since mid-2000s, TSKB has been contributing to the structuring of renewable energy and distribution sectors via the funding and provision of consulting services.

Renewable energy projects which TSKB has been providing substantial funding since 2002 continue to serve the transition of Turkey from the current fossil fuel-based power generation systems to clean and renewable energy resources. TSKB is among the Turkish banks that fund the highest number of renewable energy projects in the Turkish banking sector. The Bank has, so far, funded 211 renewable energy projects, thus contributing to a reduction of approximately 8.5 million tons in the total annual carbon emissions of Turkey.

Clean and renewable energy will continue to be a priority sector for TSKB in 2017 and beyond. In line with a directly proportional increase in the demand for energy with economic growth, it is among TSKB's priority goals to support investments based on renewable energy resources in terms of supply security and sustainable development in accessibility.



211
RENEWABLE ENERGY PROJECTS

A total installed capacity of
5,332 MW

15%
of Turkey's renewable energy capacity

3.4 billion
Financing commitment of USD

8.5 million
Contribution to CO_2 emission reduction (tCO_2e/year)

35%
Ratio of energy generation in loan portfolio

2016 TSKB Renewable Energy Portfolio in Numbers

35
Projects

1,445 MW
Installed Capacity

5 million
Electricity Generation (MWh)

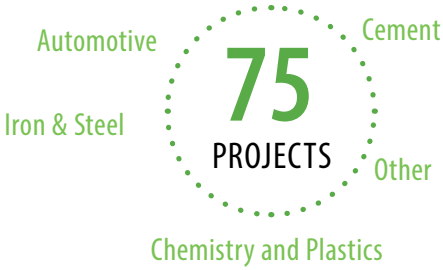
2.2 million
Contribution to CO_2 emission reduction (tCO_2e/year)

Energy & Resource Efficiency

The funding TSKB extends to the energy sector eventually benefits all sectors, the Turkish economy and the environment. Such projects contribute to developing energy/resource saving practices, ensuring energy diversity and reducing emissions. Loans for renewable energy and energy efficiency both contribute to eliminating the bottleneck in energy and support the reduction of current accounts deficit and ensure safe energy supply.

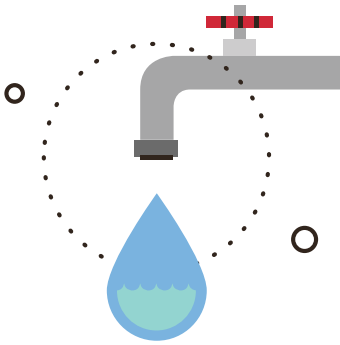
TSKB aims to maintain its portfolio rate in this field with its vision as a leading bank specialized in energy and resource efficiency.

Energy Efficiency Projects



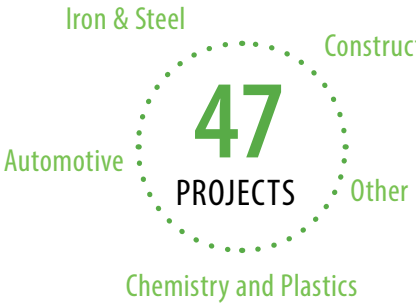
4.6 billion
Energy Savings (kcal/year)

3.6 million
Contribution to CO_2 emission reduction (tCO_2e/year)



Resource Efficiency Projects

13 million
Contribution to CO_2 emission reduction with sustainability investments (tCO_2e/year)

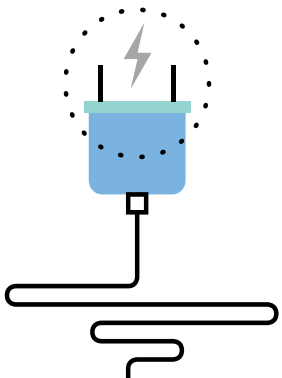


63,810
Raw Material Savings (ton/year)

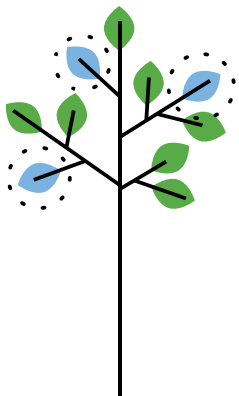
367,580
Water Savings (m^3/year)

15,850
Waste Savings (ton/year)

1.47 billion
Energy Savings (kcal/year)



831,940
Contribution to CO_2 emission reduction (tCO_2e/year)



TSKB & SUSTAINABILITY

TSKB PURSUES A VISION TO BE TURKEY'S LEADING BANK IN SUSTAINABLE DEVELOPMENT and sets its goals and strategies with an integrated perspective which is natural part of its corporate culture and way of doing business. The Bank considers the support it extends to sustainable development to be a very valuable and continuous tool in creating long-term and permanent value for all stakeholders. The Bank's goals and strategy involves not only ensuring a sustainable income for its shareholders, but also using all of its resources in the most accurate, efficient and responsible manner to create value for internal and external stakeholders alike.

THE GLOBAL GOALS
For Sustainable Development

SUPPORT FOR SUSTAINABLE DEVELOPMENT GOALS

United Nations Sustainable Development Goals (SDGs) are a set of 17 Sustainable Development Goals adopted by world leaders at the United Nations Sustainable Development Summit on September 25, 2015 to eradicate poverty by 2030, fight inequality and injustice, and combat climate change.

Under a strategic and integrated perspective, each project funded by TSKB is not just considered a banking transaction but a milestone that contributes to the country's development and global sustainability. TSKB sets all its goals and makes all its decisions within an awareness that it is a part of a collective solidarity in terms of sustainability.

TSKB carries out thematic work both to mitigate the internal impact from its operations and to control external impact from its products and services, all proof that the Bank fully adopts and contributes to the United Nations Sustainable Development Goals.

Through its corporate culture in addition to its services and loans, TSKB supports the following Sustainable Development Goals.

Business Model Goals

- Supporting sustainable development
- Providing entrepreneurs with brokerage and consultancy support on monetary and capital markets
- Ensuring sustainable profitability and growth
- Strengthening corporate structure
- Developing in harmony with stakeholders

TSKB's Sustainability Strategy

is based on the approach that the key to qualified development is sustainable banking. The Bank's sustainable banking strategies are set in accordance with the following goals:

- To support Turkey's sustainable development model,
- To assume an active role in combating climate change,
- To contribute to our country's transition to an industrial structure that is based on a low carbon economy.

TSKB Policies in accordance with its Sustainable Banking Mission

- TSKB ENVIRONMENTAL AND SOCIAL IMPACT POLICY
  - LIST OF ACTIVITIES THAT ARE NOT TO BE FINANCED
- TSKB OCCUPATIONAL HEALTH & SAFETY POLICY
- TSKB HUMAN RIGHTS POLICY
- TSKB SUSTAINABLE PROCUREMENTS MANAGEMENT POLICY
- TSKB ANTI-BRIBERY AND ANTI-CORRUPTION POLICY
  - TSKB ANTI-BRIBERY AND ANTI-CORRUPTION PROGRAM

TSKB's Sustainability Journey

1980 › Environmental Factor in Credit Appraisal Process

1990 › First Environmental Loans

2005 › Environmental Management System

2007
› ISO 14001 Certificate
› Launch of www.cevreciyiz.com

2008
› Carbon Neutral

2009
› UNEP FI
› GRI Corporate Stakeholder
› cevreciyiz.tv

2010
› GRI Approved Sustainability Report
› CDP
› UN Global Compact Commitment

2011
› Global Compact 1. COP Report
› Establishment of TSKB Sustainability Consultancy | Escarus
› IDFC Member

2012
› First Turkish Bank with successfull ISO 14064
› Greenhouse Gas Emissions Audit
› Sustainability Management System
› Exclusion List

2013
› GRI A+ Sustainability Report
› ELTI Member

2014
› Sustainability Committee
› Sustainability Policy & Complementary Policies
› First carbon-neutral concert of Turkey

2015
› GRI G4 Sustainability Report
› BIST Sustanability Index
› Women's Empowerment Principles

2016
› First ever green bond out of Turkey & CEEMEA
› Publication of TSKB Declaration on Climate Change
› Inclusion in the FTSE4GOOD Emerging Market Index

2017
› **First Integrated Report of the Turkish Finance Sector***
› **Globally First Tier II Sustainable Debt Issuance**

* http://www.tskb.com.tr/i/assets/document/pdf/TSKB_Integrated_Report_2016.pdf

GREEN/SUSTAINABLE BOND

TSKB engaged Sustainalytics to provide a second party opinion on its Sustainability Bond Framework prior to the Bank's Green / Sustainability Bond issuance in May 2016. Sustainalytics' opinion intended to provide an assessment on the Sustainability Bond Process to be in line with the ICMA Green Bond principles[1].

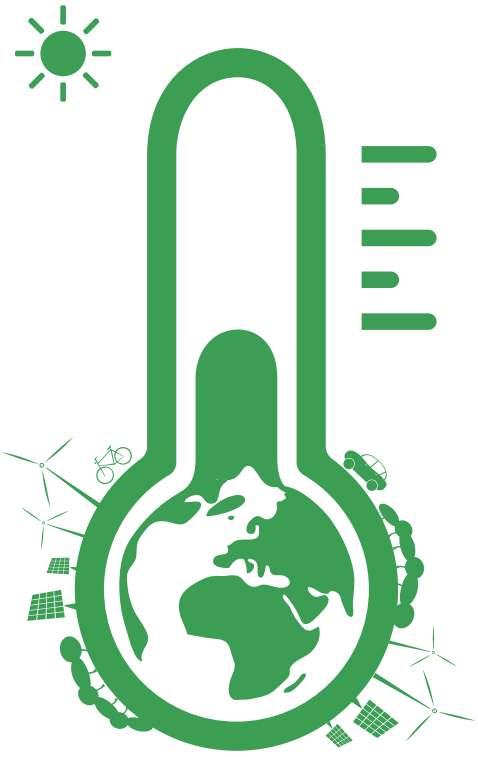
To come to this result, Sustainalytics held conversations with members of TSKB's Corporate Marketing Department, Economic Research Department, Engineering Department, Financial Analysis Department, Financial Institutions Department, Loan Monitoring Department, Project Finance Department, and Sustainability Committee members. These conversations were held to understand the environmental and social impact of TSKB's business processes, and to understand the use and management of proceeds for the financial institution's issuance of a sustainability bond.

Sustainalytics also reviewed several public and internal documents provided by TSKB in the context of sustainability and project evaluation criteria.

Sustainalytics, further to this analysis, issued the Sustainability Bond Framework for TSKB in May 2016[2].

Use of Proceeds

Proceeds from Green / Sustainable Bond should be allocated to a special sub-portfolio for lending process in accordance with TSKB Sustainable Bond Framework prepared by Sustainalytics. Eligible projects would be selected from the ones that meet one or more of the business activity criteria defined as direct and indirect climate change mitigation, climate change adaptation and sustainable infrastructure.



[1] http://www.icmagroup.org/Regulatory-Policy-and-Market-Practice/green-bonds/
[2] http://www.tskb.com.tr/i/assets/document/pdf/TSKBSustainabilityBond.pdf

Eligibility Criteria

Direct and Indirect Climate Change Mitigation

Especially after the Paris Agreement, the world has put its concentration and hope mainly in renewable energy and energy and resource efficiency, as the primary methods in tackling climate change. In transition to a low-carbon economy, for companies to be energy and resource efficient and intent to develop renewable energies will be of vital importance.

Energy & Resource Efficiency

- Any reconstruction, expansion, renovation refurbishment investments of a business entity or relocation investments of any production facility aim to decrease energy consumption for every unit of their service outputs in the industrial sectors.
- Green Building investments that are certified with world widely known green building certification systems BREEAM, LEED or DGNB.
- Any industrial investments aim to increase resource efficiency, including but not limited to reduction in water consumption, non-recoverable wastes, and raw material/auxiliary chemicals.

Renewable Energy

- The development, construction and operation of the onshore wind power plants, solar power plants, hydro power plants and biomass, waste to energy, biogas projects.

Sustainable Infrastructure

To serve to aim of promoting sustainable growth and sustainable infrastructure improvements in Turkey; TSKB included the health sector, ports and electricity distribution network investments into the scope.

Electricity Distribution Networks

- Projects aim at retro-fitting and expansion of transmission lines or substations to reduce energy use and/or technical losses and to avoid electricity cuts. Besides, improving existing systems to facilitate the integration of renewable energy sources into the grid or Scada System to improve effectiveness is expected from the investment.

Ports

- Any building or modernization port projects with a primary objective of promoting the modal shift of freight and/or passenger transport from road to waterways are evaluated eligible for the issuance. It is also expected to ensure that the projects promote the resilience of ports to climate change risks.

Social Infrastructure (Health and Education)

- In the health and education infrastructure investments, expectations of improving access to public services for the wider population beside considering inclusiveness and increasing the technology standards in the field are intended to be satisfied. A formal Environmental and Social Impact Assessment should be carried out for each project.

Climate Change Adaptation[3]

[3] Detailed information is available in the "TSKB Sustainability Bond Framework Overview and Second Opinion by Sustainalytics" Report.

Evaluation & Selection

TSKB's Technical Analysis Team, comprising of nominated members from the Engineering Department and Financial Analysis Department, assess and determine each individual project's eligibility and recommend an allocation of proceeds to eligible projects.
Having got the technical approval, the relationship managers propose the projects to be funded by the use of proceeds of the Bond. At this point, Financial Institutions Department determines the final allocation of the projects under bond's proceeds. In the case of the respective internal procedures, including the Credit Evaluation Committee and, if required, Board's approval to have been finalized, the allocation of proceeds are tracked through the international on-line systems of the Bank.

All selected projects are previously assessed by TSKB's own Environmental and Social Risk Evaluation Tool (ERET) , which aligns with the IFC Performance Standard, in order to identify and rate risks associated with clients and projects. All selected projects are subject to ongoing monitoring and supervision in terms of environmental and social impacts.

Environmental rating methodology for ERET Model is continuously reviewed by TSKB teams, and the weights of high risk issues in the calculation process are increased in line with changing conditions, thus highlighting the risky issues.

RESPONSIBLE BANKING WITH ERET

Determining the potential environmental and social risks and impacts that could arise in the implementation of projects bears special importance. According to the result additional measures for investors as well as monitoring responsibilities specific to the Bank might arise. TSKB which enjoys a specialized banking culture business model has undertaken another leading practice on the matter.

Developed to neutralize the difference in competence and experience among experts in the environmental and social risk appraisal of a project, to ensure the implementation of a consistent and standardized methodology, and to conduct performance assessment through cause and effect relations, ERET was first designed in 2005 and has been implemented gradually since then. Starting from 2007, the model has been applied to all investment projects to be potentially funded by TSKB irrespective of the investment amount and/or credit limit. TSKB adopts it as a principle to observe sustainability practices and principles which meet the environmental, social and occupational health and safety standards of the Development Finance Institutions in all investment projects it finances.

EXECUTION OF GREEN/SUSTAINABLE BOND

Date Issued
May 18, 2016

Amount
USD 300 million

Maturity
5 years

MS+ Spread
387.5 points

Covering Turkey, Eastern and Central Europe, Middle East and Africa
First Green / Sustainable Bond Issue of the CEEMEA region

317 corporate investors on international markets
USD 4 billion demand

Breakdown of incoming requests
44% UK
39% Continental Europe
9% U.S. off-shore funds
8% Asia and Middle East

Largest demand in bond issuances by financial institutions in Turkey
13 times

- International Financing Review IFR 2016 "SRI Bond of the Year"Award
- Global Capital "EMEA Green/SRI Bond Deal of the Year" Award
- Bonds & Loans International Bond Deal of the Year Award

Allocation & Impact Reporting

Review by Sustainalytics

Sustainalytics reviewed the projects funded during 2016 and provided an assessment as to whether the projects met the Use of Proceeds criteria and the Reporting Commitments outlined in the Sustainability Bond Framework provided by Sustainalytics. As per the Conclusion of the Compliance Review[4] issued by Sustainalytics nothing has come to Sustainalytics' attention that causes Sustainalytics to believe that, in all material respects, the reviewed bond projects, funded through proceeds of TSKB's Sustainability Bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the TSKB Sustainability Bond Framework.

Management of Proceeds

TSKB has fully disbursed the proceeds of the Green / Sustainable Bond issued on 18 May 2016. Moreover, TSKB will continue to finance new eligible projects for the redemption amounts out of the subject portfolio, on a best effort basis.

TSKB had a selection of existing projects to support the bond size and has aimed to re-finance the outstanding project flow with the use of proceeds of the Green / Sustainable Bond. As a result of the assesment of the subject project in accordance with ERET model, no individual action was required. Until when the full utilisation has got completed, the proceeds were held under a designated account, which is tagged within TSKB's accounting system for efficient monitoring of the related projects. TSKB has permitted transfers from this account to eligible projects only.

In some cases, the related component of a project supported by Green / Sustainable Bond could be a part of a larger investment. In such cases the portfolio only finances the eligible portion of these larger investments.

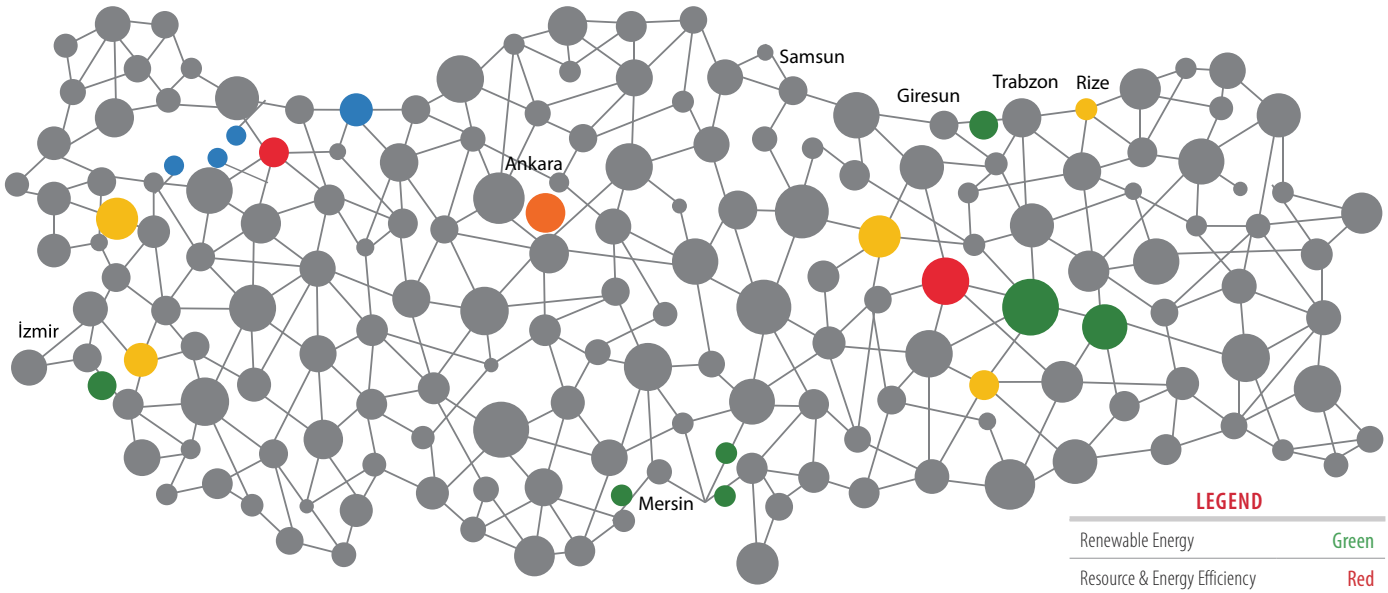
The monitoring of the projects comprises regular reports by the Bank on project activities and performance throughout the lifetime of investment.

Allocation of the Proceeds

The whole amount of the subject Green / Sustainable Bond proceeds has been disbursed with the below percentages as of 31.12.2016.

THEMES	# OF PROJECT	PERCENTAGE
Renewable Energy	7	42,6%
Health	1	10,7%
Electricity Distribution	5	24,9%
Energy & Resource Efficiency	2	1,8%
Ports	4	20%
Total	**19**	**100%**

Geographical Distribution[5]



[4] http://www.sustainalytics.com/wp-content/uploads/2017/04/TSKB-Compliance-Review-2017-04-03-2017.pdf
[5] The size of the shapes does not indicate projects' impacts; but for illustrative purposes only.

Allocation & Impact Reporting

Impact Reporting

TSKB Impact Report is in line with the GBP's reference framework for reporting . The Impact Report includes the list of projects that are financed under the subject Green / Sustainable Bond proceeds, brief Project descriptions, the amounts committed and the environmental and/or social impacts. In the calculation of GHG emission reductions/avoidance, TSKB's internally and annually calculated Turkey's Green House Gas (GHG) Emission Factor (from Turkey's Electrical Energy Production) value is utilized. TSKB's emission factor calculation methodology is in line with United Nations Framework Convention on Climate Change (UNFCCC) tool to calculate the emission factor for an electricity system. In the calculations, Turkey's announced latest electricity statistics are used.

Impact of Green/Sustainable Bond Utilisation – Renewable Energy

Project Name	Project Description	Eligibility for Green Bonds	Renewable Energy Capacity Added (MW)	Total Investment Amount (USD)	Loan Amount Financed with the Proceeds of Bond (USD) (31.12.2016)	Annual Generation FY 2016 (Electricity/ Other) (kWh)	Annual GHG Emissions Reduced/ Avoided FY 2016 (ton/y)	Annual Allocated Amount from Bond / Total Annual GHG Emissions Reduced/ Avoided FY 2016 (ton/y)	Employment created by the investment
1	120 MW Hydro power plant in Eastern Black Sea Region of Turkey	Hydro Power Plant	120	170,000,000	31,111,111	476,000,000	270,844	49,566	38
2	131.2 MW Hydro power plant in Eastern Anatolia Region of Turkey	Hydro Power Plant	131.2	243,076,000	37,930,247	282,700,000	160,856	25,100	70
3	130.2 MW Hydro power plant in Eastern Anatolia Region of Turkey	Hydro Power Plant	130.2	249,778,000	37,930,247	259,800,000	147,826	22,448	71
4	81.25 MW Hydro power plant in Mediterranean Region of Turkey	Hydro Power Plant	81.25	136,700,000	15,063,836	172,000,000	97,868	10,785	92
5*	60.25 MW Hydro power plant in Mediterranean Region of Turkey	Hydro Power Plant	60.25	57,500,000	8,456,891	153,000,000	87,057	12,804	21
6	39 MW Wind Power Plant in Mediterranean Region of Turkey	Wind Power Plant	39	55,203,000	4,074,283	117,000,000	66,573	4,913	12
7	45 MW Wind Power Plant in Aegean Region of Turkey	Wind Power Plant	45	76,157,792	468,734	177,318,690	100,894	621	15
					135,035,349				

* Annual Generation is estimated amount since it will be operational in 2017. The project is in full operation by the issuance date of this report.

Highlighted Projects

Wind Power Plant

Wind Power Plant is located in Mediterranean Region of Turkey. In 2016, the WPP with the 39 MW installed capacity generated 117 Gwh electricity production. 4,047,283 USD portion of the project has been financed through the green bond and thus led to 4,913 GHG emissions reduction in the reporting year. It could be also seen as Project 6 on the above table.

Hydro power plant

The Hydro power plant is located in Mediterranean Region of Turkey. The plant has 81.25 MW installed electricity generation capacity. In 2016, the HPP generated 172 GwH electricity production. 15,063,836 USD portion of the project has been financed through the green bond and thus led to 10,785 GHG emissions reduction in the reporting year. It could be also seen as Project 4 on the above table.

Allocation & Impact Reporting

Impact of Green/Sustainable Bond Utilisation – Energy and Resource Efficiency

Project	Project Description	Eligibility for Green Bonds	Total Investment Amount (USD)	Loan Amount Financed with the Proceeds of Bond (USD) (31.12.2016)	Annual Energy Savings FY 2016 (Electricity/Other) (kWh/y)	Annual GHG Emissions Reduced/ Avoided FY 2016 (ton/y)	Annual Allocated Amount from Bond / Total Annual GHG Emissions Reduced/ Avoided FY 2016 (ton/y)	Employment created by the investment	Annual Savings - Other
1	Construction of an efficient cold rolling line	Energy & Resource Efficiency	7,890,400	1,600,000	2,450,000	1,394	283	5	24,500 tons of rolling liquid
2	Energy Production Project from waste heat and arc-furnice modenization	Energy & Resource Efficiency	45,900,000	4,223,077	89,660,000	51,017	4,694	16	
				5,823,077					

Impact of Green/Sustainable Bond Utilisation - Health

Project	Project Description	Loan Amount Financed with the Proceeds of Bond (USD) (31.12.2016)	Benefits of the Investment
1	Establishment of a city general hospital with 3,566 beds under a PPP scheme with an investment amount of 1.1 billion Euro.	33,860,902	The hospital project in Ankara aims to: • Renovate the insufficient healthcare infrastructure that will serve increasing healthcare demands, • Bring smaller hospitals together under one campus, • Increase service quality and efficiency in Turkey. The project is developed to provide service for Ankara and surrounding cities primarily Çorum, Kırıkkale, Kırşehir, Yozgat, Çankırı, Karabük, Kastamonu, Zonguldak, Bartın and Bolu. The Health Facility is expected to be visited by about 100,000 people daily. The district population can be characterized as mainly lower middle class and the district is readily accessible with public transport from the city center. Ankara is the capital and the second largest city in Turkey. Population has grown by 18%, exceeding the national growth rate of 13% since 2007. The project has directly created job opportunities for 291 people and indirectly 1,564 people via subcontractors by the end of 2016.

Allocation & Impact Reporting

Impact of Green/Sustainable Bond Utilisation - Ports

Project	Project Description	Loan Amount Financed with the Proceeds of Bond (31.12.2016) (USD)	Handling Capacity Before Investments	2016 Handling Capacity	2016 Handling Amount	Benefits of the Investment
1	Renovation and capacity increase in port at the Marmara Region by the Marmara Sea	10,853,360	500 thousand tons/ year general cargo	5 million tons per year general cargo and 600 thousand TEU container handling. The investment was completed by the end of 2015	763,565 ton general cargo 7,880 teu container handling	Before the investment, the port was dedicated mainly to handling cargo for an associated fertilizer plant. The investment converted the facility to a container and general cargo port serving the entire region. Modernization and incorporating container handling increased port efficiency, facilitating shift from land transport to sea transport. Additional benefits and synergy were obtained by integrating the port with the adjacent port belonging to the same group of companies. Container handling also has environmental benefits as a dust-free mode of cargo handling.
2	Integration of ports at the Marmara Region by the Marmara Sea	2,662,691	600,000 TEU container 450 thousand vehicles (RoRo) 1,000 tons general cargo	Not Applicable	353,223 TEU container handling 120,705 tons general cargo 342,438 ceu RoRo	The investment was for facility modernization and integration with the adjacent port belonging to the same group of companies. Modernization and integrating container handling with the adjancent port increased port efficiency, facilitating shift from land transport to sea transport. Container handling also has environmental benefits as a dust-free mode of cargo handling.
3	Renovation and capacity increase in port at the Marmara Region by the Marmara Sea	5,087,106	520,000 TEU/year container handling 4,000,000 ton/year general cargo 750,000 ton/year liquid cargo	Capacity in 2016 will be 1 million TEU/year container handling and 1.5 million in 2017 (2017) 4.500.000 tons/ year general cargo (2017) 1.000.000 tons/ year liquid cargo	401,093 TEU container handling 1,808,023 tons general cargo 591,524 m3 liquid cargo	Additional container handling capacity and general increase in productivity has increased port efficiency, facilitating shift from land transport to sea transport. Container handling also has environmental benefits as a dust-free mode of cargo handling.
4	Infrastructure Investment for port at the Marmara Region by the Black Sea	44,796,050	50,000 TEU/year container handling 1,500,000 ton/year general cargo	Estimated to be in operation in 2017	Estimated to be in operation in 2017	The existing inactive port has been modernized and refurbished to accommodate Ro-Ro and container cargo. The port will facilitate shifting land transport to sea transport by increasing Ro-Ro and container shipping. An important additional benefit of the port is that Black Sea cargo can be shipped directly from this port instead of crossing the Bosphorus, thereby reducing fuel use and carbon emissions.
		63,399,206				

Allocation & Impact Reporting

Impact of Green/Sustainable Bond Utilisation – Electricity Distribution Projects

Project	Project Description	Loan Amount Financed with the Proceeds of Bond (31.12.2016) (USD)	Total Investments in 2015 (TL)	Total Investments in 2016 (TL)	2015 Total Subscriber	2016 Total Subscriber	Population of the Area 2015	Population of the Area 2016	2016 Total Energy Distribution (MWh)	Benefits of the Investment
1	Modernisation, rehabilitation and extension of electricity distribution network in Marmara Region of Turkey	40,081,760	272,477,874	192,243,000	2,893,934	2,983,810	4,775,585	4,859,030	11,708,466	In addition to regular expansion, modernization and maintenance, investments have served to keep network losses at a minimum level and adapting the networks to new requirements, such as distributed generation, integration of renewable energy into the grid, remote network operation and more energy efficient management. The investments have thus contributed to overall energy efficiency and carbon reduction. An added benefit for the 3rd and 4th projects have been the provision of high quality services less developed regions of Turkey.
2	Modernisation, rehabilitation and extension of electricity distribution network in Central Anatolia Region of Turkey	17,584,320	53,250,000	89,453,000	822,078	917,913	1,632,047	1,644,927	2,380,392	
3	Modernisation, rehabilitation and extension of electricity distribution network in Black Sea Region of Turkey	4,705,882	60,795,515	95,595,254	1,237,935	1,269,278	1,843,901	1,894,996	3,383,547	
4	Modernisation, rehabilitation and extension of electricity distribution network in Eastern Anatolia Region of Turkey	4,705,882	67,566,861	79,348,266	858,177	888,483	1,700,468	1,711,847	2,327,049	
5	Modernisation, rehabilitation and extension of electricity distribution network in Aegean Region of Turkey	11,708,188	245,298,268	344,796,888	2,972,025	3,061,100	5,548,781	5,620,490	15,008,179	
		78,786,032								