

**INVITATION TO THE ORDINARY GENERAL ASSEMBLY
FROM
THE BOARD OF DIRECTORS
OF
TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
(TSKB)**

Our Esteemed Shareholders,

In order to discuss and resolve the issues of the agenda regarding the year 2016, our Board of Directors decided to hold the Ordinary General Assembly meeting on March 23th, 2017, Thursday at 16:00 at the Headquarters of TSKB, which is located in Meclisi Mebusan Cad., No: 81, Fındıklı, İstanbul and to invite the Shareholders of our Bank to the General Assembly Meeting.*

In order to attend our Ordinary General Assembly Meeting and exercise their voting rights; Shareholders are not required to blockage shares by the Central Registry Agency. Our Shareholders may attend the meeting physically or by electronic means. Submission of the personal ID cards shall be adequate for the shareholders willing to be present in the meeting. Physical attendance is not possible for Shareholders declaring their electronic participation.

Shareholders willing to attend via Electronic General Meeting System(E-GEM) are required to hold a secured electronic signature and fulfill the necessary procedures by the Central Registry Agency in order to attend the meeting directly or appoint a proxy through E-GEM. Correspondingly; Shareholders or their proxies willing to attend via E-GEM are required to fulfill their obligations in accordance with the Regulation on Attendance at General Assembly Meetings of Joint Stock Companies by Electronic Means promulgated at the Official Gazette dated 28 August 2012 and numbered 28395 and the Communiqué on Electronic General Meeting System Applicable at General Assemblies of Joint Stock Companies promulgated at the Official Gazette dated 28 August 2012 and numbered 28395.

Shareholders who will not participate in the General Assembly Meeting physically or by electronic means but would like to be represented by proxy shall prepare a proxy in the form enclosed, the proxy form sample is also available at the headquarters of our Bank and at our web site www.tskb.com.tr, and the signature of the Shareholder, who is conferring such a proxy, should be certified by the Notary Public or the List of Authorized Signatures, which is also certified by the Notary Public, should be attached to the proxy form pursuant to the Capital Markets Board's Communiqué No. II-30.1. The sample proxy enclosed is not required in case a proxy is defined via E-GEM pursuant to the regulations of the Central Registry Agency.

The Shareholders entrusting the registered shares pursuant to the Capital Markets Law are required to prepare the "Document Representing the Entrusted Shares" and "Notification of Instructions Form" according to the provisions of the "Regulation on the Procedures and Terms of the General Assembly Meetings of the Joint Stock Companies and the Customs and Trade Ministry Representatives Assigned to the Mentioned Meetings" the examples of which are enclosed to the Regulation.

Annual Report, Balance Sheet, Profit and Loss Statements and entire Audit Reports and other relevant documents will be presented for the review of our Shareholders, at the Affiliates Division at the headquarters of our Bank and at our Bank's web site www.tskb.com.tr and E-GEM portal of the Central Registry Agency three weeks before the date of General Assembly.

The information to be disclosed to public subsequent to the General Assembly invitation is embedded in the Information Leaflet which is available at TSKB web site www.tskb.com.tr.

We kindly request the participation of our Esteemed Shareholders to the General Assembly Meeting on the date and time depicted above.

* Pursuant to Article 29 of the Capital Markets Law, our Shareholders will not be informed via registered mail.

FURTHER INFORMATION PROVIDED PURSUANT TO THE CORPORATE GOVERNANCE PRINCIPLES OF THE CAPITAL MARKETS BOARD

Further information that should be disclosed pursuant to the Communiqué II.7.1 on Corporate Governance Principles of The Capital Markets Board is duly provided hereunder.

1. Shareholder Structure and Voting Rights

Bank's up to date shareholder structure and capital information are as follows:

Capital Information(*)

Paid Capital : TRY 2.050.000.000

Registered Capital : TRY 2.500.000.000

Shareholder Structure

Title of the Shareholder	Nominal Value(TRY)	Share in Capital(%)
TÜRKİYE İŞ BANKASI A.Ş.	843,986,016.04	41,17
TÜRKİYE VAKIFLAR BANKASI T A O	171,738,391.57	8,38
CAMIŞ YATIRIM HOLDİNG A.Ş.	118,828,007.43	5,80
Other	915,447,584.97	44,66
TOTAL	2,050,000,000.00	100

(*) Illustrating the real and legal persons directly holding 5% or more shares or voting rights as published on the Public Disclosure form as of 23.02.2017.

Paid capital consists of 250.000.000.000 (twohundredfiftybillion) shares with a value 1 Kuruş per share and with no privileged rights.

2. Information Regarding Material Alterations In Relation to Management and Activity

There exist no material alteration in relation to management or activity of our Banka or our subsidiaries. All material issues are publicly disclosed pursuant to the relevant legislation.

3. In Case the Agenda of the General Assembly Includes Dismissal, Substitution or Election of the Board of Directors; the Justifications of Dismissal and Substitution, Briefing Regarding the Candidate Members of the Board of Directors

Not Applicable.

4. Information Regarding Written Enquiries of the Shareholders In Relation to Insertion of Provisions to the Agenda

Not Applicable.

5. Information Regarding Amendment of Articles of Association

Pursuant to 9th Agenda Item; amendment of Article 5 of the Bank's Articles of Association captioned capital for the increase of the registered capital ceiling of the Bank shall be submitted to the General Assembly's approval. Such amendment is considered due to expiration of the recent registered capital ceiling by the end of the year 2016. It is proposed that the registered capital ceiling shall be increased to 4,500,000.-TL according to our Bank's targets and objectives. All necessary approvals of Banking Regulation and Supervision Authority, Capital Markets Board and Ministry of Customs and Trade have been duly obtained for the capital increase and amendment of the Article 5 of the Articles of Association.

OUR REMARKS ON THE AGENDA OF THE ORDINARY GENERAL ASSEMBLY TO BE HELD ON MARCH 23TH 2017

1- Commencement, constitution of the Meeting Presidency in accordance with the Articles of Association of the Bank and delegation of authority to the Meeting Presidency for the execution of the minutes of the General Assembly,

In accordance with the provisions of the Turkish Trade Code (TTC) numbered 6102 and the Regulations on General Assembly's of the Companies with Share Capital and Ministry of Customs and Trade Representatives to be Present in Such Meetings (Regulation) and 40th Article of our Bank's Articles of Association which is currently in force; the Meeting Presidency to preside over the General Assembly shall be elected.

Furthermore, in accordance with the provisions of TTC and the Regulation; the issue of authorization of the Meeting Presidency to record the resolutions passed in the General Assembly to the minutes shall be submitted for approval.

2- Review and discussion of the Annual Reports of the Board of Directors, Declaration of Compliance with the Corporate Governance Principles and Independent Auditors regarding the accounts and transactions of the Bank within the year of 2016,

In accordance with the provisions of the Regulations of the Capital Markets Board (CMB) and Banking Regulation and Supervision Agency (BRSA) and TTC and the Regulation; the Board of Directors' Annual Report including the Corporate Governance Compliance Report for 2016 Activity Period, the Auditor's and the Independent Auditing Firm's Reports shall be available, so that our Shareholders may review them, at our Bank's headquarters and web site (www.tskb.com) starting from three weeks before the date of the General Assembly and the abovementioned reports shall be read in the General Assembly and submitted to the Shareholders' opinions and approval.

3- Review, discussion and approval of the balance sheet and profit and loss statement of the Bank for the year of 2016,

In accordance with the provisions of the CMB and BRSA Regulations and TTC and the Regulation; the Balance Sheet and the Profit and Loss Statement of 2016 Activity Period shall be available, so that our Shareholders may review them, at our Bank's headquarters and web site (www.tskb.com) starting from three weeks before the date of the General Assembly and shall be read in the General Assembly and submitted to the Shareholders' opinions and approval.

4- Approval of the appointment of the members of the Board of Directors substituting the members leaving their post during the year,

In accordance with Article 363 of the TTC; the election of Mr. Suat İnce as member of the Board of Directors in replacement of Mr. Özcan Türkakın, the election of Mr. Kemal Saç as member of the Board of Directors in replacement of Mr. Kemal Serdar Dişli, the election of Mr. Fikret Utku Özdemir as member of the Board of Directors in replacement of Mr. Murat Bilgiç and the election of Mr. Can Yücel as member of the Board of Directors in replacement of Mr. Uygur Şafak Öğün who had resigned, shall be submitted to the approval of General Assembly.

5- Release of the Members of the Board of Directors,

In accordance with the provisions of TTC and the Regulation; the General Assembly shall be offered to release one-by-one the Members of the Board of Directors and Auditors from the transactions and accounts of 2016 Annual Period.

6- Adoption of a resolution regarding the determination and allotment of the profit to be distributed, determination of the dividend allotment date,

Pursuant to Our Directors Board's Resolution dated February 23th, 2017; the General Assembly shall be offered to reserve and distribute 2016 Net Profit of TRY 476,444,731.56 as follows in accordance with Article 47 of our Articles of Association which is currently in force.

1. in accordance with paragraph (a) of 47th article of our Articles of Association, to the allocation of TRY 23,822,236.58 which is 5% of the net profit as legal reserve fund,
2. in accordance with the paragraph (b) of 47th article of our Articles of Association, to the allocation of TRY 135,841,154.09 as first dividend,
3. Out of the TRY 316,781,340.90, the remnant after the reduction of 1-2 articles above, in accordance with the paragraph (d) of 47th article of our Articles of Association,
 - a) to the distribution of gross amount of TRY 1,545.27 TL, which is 5% of the aforementioned remainder (to be limited with the part of 200,000 of paid-in-capital), to the founder shares to be TRY 15.45 to each founder share;
 - b) to the distribution of gross amount of TRY 1,583,906.70, which is the 0.5% of the aforementioned remainder to the Members of Board of Directors and to transfer the amount corresponding to the Independent Board Member and the amount remaining after the distribution to be made to Members of the Board regarding their tenure to extraordinary reserve fund,
 - c) to the distribution of gross amount of TRY 9,503,440.23, which is the 3% of the aforementioned remainder, to the employees in accordance with the Resolution of Board of Directors;
4. in accordance with the paragraph (e) of 47th article of our Articles of Association, to the allocation of 205 Billion shares, paid-up and non-paid-up, with 1 Kuruş nominal value, (on account of 14.44677%) to be 0.144677 Kuruş to each of them, the total amount of TRY 296,158,845.91 as second profit share,
5. in accordance with 519th article of Turkish Trade Code, to the allocation of TRY 1,108,889.22 as statutory reserve fund,
6. to the allocation of TRY 8,424,713.56 the remainder, as extraordinary reserve fund,
7. to the distribution of TRY 432,000,000 in full, which is the total of first and second profit shares stated in 2nd and 4th articles above, TRY 82,000,000 which is 4% of the paid-in capital is to be distributed to shareholders as cash dividend and remaining TRY 350,000,000 which is 17.07% of the paid-in capital, shall be distributed as stock dividend in the capital increase from TRY 2,050,000,000 to TRY 2,400,000,000,
8. to the distribution of dividends of the year of 2016 equivalent to TRY 350,000,000 as bonus shares subsequent to the registration of the said shares by the Capital Markets Board and the distribution of cash dividends equivalent to TRY 82,000,000 starting March 27th, 2017; to recommend to the General assembly to entitle the Board of Directors for all procedures related to all issues projected above

Our relevant declaration has been published at Public Disclosure Platform on 28.02.2017.

7- Determination of allowance for the Members of the Board of Directors:

In accordance with the provisions of TTC and the Regulation and Article 23 of our Articles of Association which is currently in force; the members of the Board of Directors shall be appointed.

8- Election of Independent Audit Firm,

Due to the expiration of the agreement between our Bank and Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (KPMG) by the end of 2016, pursuant to the relevant legislation, our Bank is obliged to rotate the independent auditor firm. Therefore; our Board of Directors has resolved on 26.10.2016 that Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Ernst & Young Global Limited) to be appointed as the independent audit firm for 2017, 2018 and 2019 and such appointment be submitted for the approval of the shareholders in the prospective General Assembly Meeting.

9- Approval of the Amendment of the 5th Article of the Articles of Association captioned capital which is certified by the Capital Markets Board, Banking Regulation and Supervision Agency and Ministry of Customs and Trade

Pursuant to 9th Agenda Item; amendment of Article 5 of the Bank's Articles of Association captioned capital for the increase of the registered capital ceiling of the Bank shall be submitted to the General Assembly's approval. Such amendment is considered due to expiration of the recent registered capital ceiling by the end of the year 2016. It is proposed that the registered capital ceiling shall be increased to 4,500,000.-TL according to our

Bank's targets and objectives. All necessary approvals of Banking Regulation and Supervision Authority, Capital Markets Board and Ministry of Customs and Trade have been duly obtained for the capital increase and amendment of the Article 5 of the Articles of Association.

10- Presentation of the information regarding the donations made within the year and determination of the upper limit for donations to be made within the year 2016,

The donations throughout the year should be informed to the General Assembly in accordance with the regulations of CMB and BRSA. The aforementioned article is only for informative purposes. In accordance with the relevant provisions of our Bank's Articles of Association, the total amount of donations for TRY 181.351,97.- (onehunderedeightyonethousandthreehunderedonepointninetysevenTurkishLiras) in total.

Pursuant to the CMB's decree which requires the upper limit of the donations to be determined by the General Assembly, the General Assembly will decide on the upper limit of the donations of 2017.

11- Authorization of the Members of the Board of Directors for the transactions depicted in Articles 395 and 396 of the Turkish Commercial Code,

The issue of authorization of the Members of the Board of Directors so that they may carry out the activities listed in TTC Article 395 with the title of "Prohibition of Transactions with Company" and TTC Article 396 with the title of "Non-Competition" shall be submitted to the General Assembly for approval.

12- Presenting information regarding the transactions within the scope of Article 1.3.6. of the Communiqué on Determination and Implementation of Corporate Governance Principles of the Capital Markets Board.

Article 1.3.6. of the Communiqué on Determination and Implementation of Corporate Governance Principles of the Capital Markets Board: The right to compete or enter into transactions of the Shareholders who have the managing authority, the board, the executives and their spouses or relatives related by blood or affinity up to the second degree which may cause conflict of interest with the company and its affiliates should be pre-approved by the general assembly and the necessary information must be given in the general assembly. The above mentioned Article does not require approval of the General Assembly; it is only for informative purposes.

PROXY
TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. (TSKB)

I appoint Mr./Mrs., detailed information is depicted below, as my representative to be authorized to represent me, to vote, to submit proposals and to sign necessary documents in accordance with the conceptions stated hereunder by me, during the Ordinary General assembly of TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. (TSKB), which will take place at Headquarters of the Bank, on March 23th, 2017, Thursday at 16:00 hours.

Proxy's(*)

Name Surname/Trade Name:

ID No/Taxation No, Trade Registry and Number and MERSIS No.

(*) Foreign Citizen Proxy should provide the applicable information for the required fields.

A- EXTENT OF REPRESENTATIVE AUTHORITY:

The extent of the representative authority shall be stated by the selection of either (a), (b) or (c) in Section 1 and Section 2.

1. Regarding the Issues in the General Assembly Agenda

- a) Proxy is authorized to vote in the direction of his/her discretion.
- b) Proxy is authorized to vote in the direction of suggestions of company administration.
- c) Proxy is authorized to vote for each and every agenda item in direction of instructions depicted in the table below:

Instructions: In case the Shareholder's selection is (c), instructions should be inserted for each agenda item by marking the one of the boxes (accept or reject) and if reject is marked, the opposing opinion to be inserted in the minutes of the general assembly shall be mentioned.

Agenda	Accept	Reject	Opposing Opinion
1.			
2.			
3.			

2. Special instructions for other issues arising at the General Assembly meeting and especially for the minority rights:

- a) Proxy is authorized to vote in the direction of his/her discretion.
- b) Proxy is not authorized regarding this issue.
- c) Proxy is authorized to vote in direction of instructions depicted in the table below:
SPECIAL INSTRUCTIONS: (Special instructions shall be written.)

B- THE SHAREHOLDER SHALL INDICATE THE SHARES REPRESENTED VIA SELECTING ONE OF THE ALTERNATIVES BELOW:

1. I hereby approve the proxy for my shares details of which are depicted below.

- a) Issuance and serial of shares* :
- b) Share numbers/Group** :
- c) Amount and Nominal Value of Shares:
- ç) Whether the share is privileged
for voting, or not. :
- d) Whether the share is registered
or bearer share :
- e) Percentage of the total shares hold by the Shareholder:

* **Not required for the registered shares.**

** **Group information shall be inserted for the registered shares instead of numbers.**

2. I hereby approve the proxy for my shares indicated in the list drafted by the Central Registry Agency one day prior to the general assembly illustrating the shareholders entitled to attend to the general assembly.

SHAREHOLDER'S NAME SURNAME/TRADE NAME:(*)

ID No/Taxation No, Trade Registry and Number and MERSIS No. Adress

(*)Foreign Citizens should provide the applicable information for the required fields.