

TÜRKİYE SİNAİ KALKINMA BANKASI AŞ AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2022 unless otherwise stated)

ASSETS	Notes	30 June 2022	31 December 2021
Cash and cash equivalents		5,625,520	5,219,441
Reserve deposits at Central Bank	8	2,451,048	2,855,089
Financial assets measured at fair value through profit or loss	11	50,977	435,398
Financial assets measured at fair value through other comprehensive income	11	11,895,982	12,881,784
-Financial assets measured at fair value through other comprehensive income as pledge		4,169,530	4,948,494
Financial assets measured at amortized cost	11	9,425,032	5,624,324
-Financial assets measured at amortized cost as pledge		1,173,033	3,153,388
Derivative financial assets	9	2,141,342	3,121,512
Derivatives used for hedging purposes	9	441,279	365,145
Loans and advances to customers	10	66,378,289	87,169,751
Investments in equity-accounted investees		1,793,397	1,889,241
Goodwill		383	545
Property and equipment		572,772	739,728
Investment property		336,177	478,561
Intangible assets		5,417	7,482
Deferred tax assets		442,829	556,404
Assets held for sale		-	91,680
Other assets		1,071,686	1,837,472
Total assets		102,632,130	123,273,557

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AS AT 30 JUNE 2022

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2022 unless otherwise stated)

LIABILITIES	Notes	30 June 2022	31 December 2021
Funds borrowed		63,734,523	77,194,109
Money market balances		1,999,566	2,008,925
Debt securities issued	13	19,627,653	22,502,495
Derivative financial liabilities	9	940,777	1,596,184
Derivatives used for hedging purposes	9	49,032	-
Current account of loan customers		330,575	984,668
Taxes and dues payable		26,683	37,556
Employee benefits		82,528	88,029
Corporate tax liability		485	282,843
Provisions	16	733,880	589,069
Lease liability		5,832	6,659
Other liabilities		1,625,434	1,164,475
Subordinated liabilities	14	3,408,349	5,735,728
Deferred tax liabilities		11,832	3,777
Total liabilities		92,577,149	112,194,517
EQUITY			
Share capital			
Nominal paid in capital	17	2,800,000	2,800,000
Inflation adjustment to capital	17	9,128,530	9,192,327
Total capital		11,928,530	11,992,327
Share premium		3,796	3,804
Legal reserves		1,597,613	1,529,642
Fair value reserve		(458,030)	(115,386)
Revaluation reserve		-	-
Translation reserve		136,198	148,653
Actuarial gain/(loss)		(4,355)	(6,598)
Retained earnings		(3,245,440)	(2,602,853)
Total equity attributable to equity holders of the Bank		9,958,312	10,949,589
Non-controlling interests		96,669	129,451
Total equity		10,054,981	11,079,040
Total liabilities and equity		102,632,130	123,273,557
Commitments and contingencies	7	116,281,579	154,699,070

**TÜRKİYE SİNAİ KALKINMA BANKASI AŞ AND ITS SUBSIDIARIES CONDENSED
CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME AS AT 30 JUNE 2022**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2022 unless otherwise stated)

	Notes	1 January – 30 June 2022	1 January – 30 June 2021
Interest income calculated using the effective interest method		3,852,276	3,419,651
Other interest and similar income		10,364	9,388
Interest expense calculated using the effective interest method		(1,559,240)	(1,454,286)
Other interest and similar expense		(3,014)	(8,504)
Net interest income		2,300,386	1,966,249
Fee and commission income		184,440	159,138
Fee and commission expense		(18,021)	(17,367)
Net fee and commission income		166,419	141,771
Securities trading income / (loss), net		27,436	1,097
Derivative trading income / (loss), net		2,177,191	962,282
Foreign exchange gains / (loss), net		(1,642,720)	(966,563)
Net trading income / (loss), net		561,907	(3,184)
Net impairment loss		(1,552,901)	(1,143,926)
Net operating income after impairment loss		1,475,811	960,910
Other operating income		95,149	364,951
Other operating expenses		(424,166)	(573,072)
Dividend income		18,117	15,249
Share of profit of equity-accounted investees		(203,398)	15,327
Gain/loss on net Monetary position, net		(419,830)	(265,984)
Profit before income tax		541,683	517,381
Income tax expense		(738,640)	(284,114)
Profit for the year		(196,957)	233,267

TÜRKİYE SİNAİ KALKINMA BANKASI AŞ AND ITS SUBSIDIARIES CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS AT 30 JUNE 2022

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2022 unless otherwise stated)

	Notes	1 January – 30 June 2022	1 January – 30 June 2021 (*)
Profit for the year		(196,957)	233,267
Items that will not be reclassified to profit or loss:			
Remeasurement of employee termination benefits		-	-
Revaluation of tangible assets		(256)	-
Other comprehensive income items not reclassified through profit or loss		47,786	14,454
Income Tax related to the above		280	-
Items that are or will be reclassified subsequently to profit or loss:			
Foreign currency translation differences		31,773	21,835
Net change in fair value of financial assets at fair value through other comprehensive income		(556,723)	(142,950)
Other comprehensive income items reclassified through profit or losses		(26,427)	(45,792)
Income Tax related to the above		158,390	30,263
Other comprehensive income for the year, net of tax		(345,177)	(122,190)
Total comprehensive income for the year		(542,134)	111,077
Profit attributable to:	Notes	1 January – 30 June 2022	1 January – 30 June 2021
Equity holders of the Bank		(162,116)	241,789
Non-controlling interests		(34,841)	(8,522)
Profit for the period		(196,957)	233,267
Total comprehensive income attributable to:			
Equity holders of the Bank		(507,293)	119,599
Non-controlling interests		(34,841)	(8,522)
Gain/(loss) on net monetary position, net		28,373	(221)
Total comprehensive income for the period		(513,761)	110,856
Earnings per share			
Basic and diluted earnings per share (in full TL)	18	(0.06)	0.09

(*) 1 January- 30 June 2021, Profit or loss and other comprehensive income line items are shown with the current year purchasing power effect.

TÜRKİYE SİNAİ KALKINMA BANKASI AŞ AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2022 unless otherwise stated)

Attributable to equity holders of the Bank													
Prior Period	Notes	Share Capital	Inflation adjustment to capital	Share premium	Legal reserves	Revaluation reserve	Actuarial Gain/(Loss)	Translation Reserve	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total Equity
Balance at 1 January 2021 (Reviewed)		2,800,000	3,430,599	1,761	752,402	-	1,392	39,852	208,721	(669,906)	6,564,821	54,632	6,619,453
Corrections and accounting policy changes		-	-	-	-	-	-	-	-	-	-	-	-
Current period (30 June 2021) purchasing power adjustment effect		-	526,653	149	63,598	-	118	3,369	17,643	(56,625)	554,905	4,618	559,523
Balance at 1 January 2021		2,800,000	3,957,252	1,910	816,000	-	1,510	43,221	226,364	(726,531)	7,119,726	59,250	7,178,976
Total comprehensive income for the period		-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period		-	-	-	-	-	-	-	-	135,365	135,365	(4,771)	130,594
Other comprehensive income		-	-	-	-	-	-	-	-	-	-	-	-
Remeasurement of defined benefit liability		-	-	-	-	-	-	-	-	-	-	-	-
Net change in fair value financial assets at fair value through other comprehensive income		-	-	-	-	-	-	12,226	(71,939)	-	(59,713)	-	(59,713)
Revaluation of tangible assets		-	-	-	-	-	-	-	-	-	-	-	-
Equity-accounted investees - share of OCI		-	-	-	-	-	-	-	(25,637)	-	(25,637)	-	(25,637)
Tax on other comprehensive income		-	-	-	-	-	-	-	16,943	-	16,943	-	16,943
Total other comprehensive income		-	-	-	-	-	-	12,226	(80,633)	-	(68,407)	-	(68,407)
Total comprehensive income for the period		-	-	-	-	-	-	12,226	(80,633)	135,365	66,958	(4,771)	62,187
Transactions with owners of the Bank		-	-	-	-	-	-	-	-	-	-	-	-
Contributions and distributions		-	-	-	-	-	-	-	-	-	-	-	-
Capital increase	16	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution		-	-	-	-	-	-	-	-	(73,551)	(73,551)	-	(73,551)
Transfer to legal reserves		-	-	-	38,715	-	-	-	-	(38,804)	(89)	-	(89)
Other changes		-	-	-	-	-	-	-	-	-	-	2,830	2,830
Gain/(loss) on net monetary position, net		-	513,922	136	65,333	-	-	-	-	(107,648)	471,743	5,071	476,814
Total transactions with the owners of the Company		-	513,922	136	104,048	-	-	-	-	(220,003)	398,103	7,901	406,004
Balance at 30 June 2021	16	2,800,000	3,944,521	1,897	856,450	-	1,392	52,078	128,088	(754,544)	7,029,882	57,762	7,087,644
Current period (30 June 2022) purchasing power adjustment effect		-	5,302,434	1,491	673,327	-	1,094	40,943	100,701	(593,211)	5,526,779	45,412	5,572,191
Adjusted Balances at 30 June 2021		2,800,000	9,246,955	3,388	1,529,777	-	2,486	93,021	228,789	(1,347,755)	12,556,661	103,174	12,659,835

The accompanying notes form an integral part of these consolidated financial statements.

TÜRKİYE SİNAİ KALKINMA BANKASI AŞ AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2022 unless otherwise stated)

Attributable to equity holders of the Bank													
		Share Capital	Inflation adjustment to capital	Share premium	Legal reserves	Revaluation reserve	Actuarial Gain/(Loss)	Translation Reserve	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total Equity
Current Period	Notes												
Balance at 1 January 2022 (Reviewed)		2,800,000	5,624,306	2,672	1,074,535	(605)	(4,635)	104,425	(81,056)	(1,827,831)	7,691,811	90,936	7,782,747
Corrections and accounting policy changes		-	-	-	-	-	-	-	-	-	-	-	-
Current period (30 June 2022) purchasing power adjustment effect		-	3,568,021	1,132	455,107	(256)	(1,963)	44,228	(34,330)	(774,159)	3,257,780	38,513	3,296,293
Balance at 1 January 2022		2,800,000	9,192,327	3,804	1,529,642	(861)	(6,598)	148,653	(115,386)	(2,601,990)	10,949,591	129,449	11,079,040
Total comprehensive income for the period		-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period		-	-	-	-	-	-	-	-	(162,116)	(162,116)	(34,841)	(196,957)
Other comprehensive income		-	-	-	-	-	-	-	-	-	-	-	-
Remeasurement of defined benefit liability		-	-	-	-	-	-	-	-	-	-	-	-
Net change in fair value financial assets at fair value through other comprehensive income		-	-	-	-	-	-	31,773	(508,937)	-	(477,164)	-	(477,164)
Revaluation of tangible assets		-	-	-	-	(256)	-	-	-	-	(256)	-	(256)
Equity-accounted investees - share of OCI		-	-	-	-	-	-	-	(26,427)	-	(26,427)	-	(26,427)
Tax on other comprehensive income		-	-	-	-	-	280	-	158,390	-	158,670	-	158,670
Total other comprehensive income		-	-	-	-	(256)	280	31,773	(376,974)	-	(345,177)	-	(345,177)
Total comprehensive income for the period		-	-	-	-	(256)	280	31,773	(376,974)	(162,116)	(507,293)	(34,841)	(542,134)
Transactions with owners of the Bank		-	-	-	-	-	-	-	-	-	-	-	-
Contributions and distributions		-	-	-	-	-	-	-	-	-	-	-	-
Capital increase	16	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution		-	-	-	-	-	-	-	-	(268)	(268)	-	(268)
Transfer to legal reserves		-	-	-	58,781	-	-	-	-	(58,970)	(189)	-	(189)
Other changes		-	-	(2)	-	-	-	-	-	-	(2)	2,038	2,036
Gain/(loss) on net monetary position, net		-	3,504,224	1,126	464,297	-	-	-	-	(1,195,394)	2,774,253	38,536	2,812,789
Total transactions with the owners of the Company		-	3,504,224	1,124	523,078	-	-	-	-	(1,254,632)	2,773,794	40,574	2,814,368
Balance at 30 June 2022	16	2,800,000	9,128,530	3,796	1,597,613	(861)	(4,355)	136,198	(458,030)	(3,244,579)	9,958,312	96,669	10,054,981

TÜRKİYE SİNAİ KALKINMA BANKASI AŞ AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2022 unless otherwise stated)

	Notes	1 January – 30 June 2022	1 January – 30 June 2021
Cash flows from operating activities:			
Interests and commissions received		3,360,680	3,118,023
Interests and commissions paid		(1,487,527)	(1,272,972)
Other operating activities, net		2,966,161	1,755,610
Cash payments to employees and suppliers		(254,478)	(257,375)
Dividends received		18,475	15,336
Operating profit before changes in operating assets / liabilities		4,603,311	3,358,622
(Increase)/decrease in operating assets:			
Loans and advances to customers		7,608,747	(2,452,454)
Balances with central banks		(424,710)	(469,059)
Financial assets at fair value through profit or loss		8,828	16,258
Other assets		(56,471)	154,666
(Increase)/decrease in operating liabilities:			
Funds borrowed		(2,934,218)	974,045
Obligations under repurchase agreements and money market fundings		(47)	691
Other liabilities		871,073	(1,010,781)
Net cash outflows from operating activities before taxes and duties paid		9,676,513	571,988
Income taxes and other duties paid		(853,299)	(220,905)
Net cash outflows from operating activities		8,823,214	351,083
Cash flows from investing activities:			
Sale of financial assets measured at Fair Value through Other Comprehensive Income		1,805,304	1,168,221
Purchase of financial assets measured at Fair Value through Other Comprehensive Income		(3,502,664)	(1,715,703)
Proceeds from sale of tangible assets		468	248
Purchase of tangible assets		(13,762)	(15,690)
Cash paid for purchase of entities under common control, associates and subsidiaries		-	-
Cash obtained from sale of entities under common control, associates and subsidiaries		874	50,460
Sale of financial assets measured at amortized cost		419,945	309,480
Purchase of financial assets measured at amortized cost		(4,484,976)	-
Other		(44)	(3,895)
Net cash inflows/ outflows from investing activities		(5,774,855)	(206,879)
Cash flows from financing activities:			
Increase in loans and advances from banks and other institutions, net		(1,503,771)	747,936
Increase in bonds payable, net		-	-
Dividends paid		(303)	(136,850)
Other		(24,358)	(3,105)
Net cash inflows from financing activities		(1,528,432)	607,981
Effect of exchange rate changes		357,916	42,976
Inflation effect on cashflow		(2,327,956)	(528,656)
Net increase in cash and cash equivalents		(450,113)	266,505
Cash and cash equivalents at 1 January		5,211,743	3,612,084
Cash and cash equivalents at 31 December		4,761,630	3,878,589