

# TÜRKİYE SİNAİ KALKINMA BANKASI AŞ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2023 unless otherwise stated)

ASSETS	Notes	Current Period 30 June 2023	Prior Period 31 December 2022
Cash and cash equivalents		2,901,999	9,238,054
Reserve deposits at Central Bank	8	3,611,487	3,301,315
Financial assets measured at fair value through profit or loss	11	766,537	210,322
Financial assets measured at fair value through other comprehensive income	11	10,018,113	13,576,788
-Financial assets measured at fair value through other comprehensive income as pledge		4,103,372	13,576,788
Financial assets measured at amortized cost	11	16,394,656	15,347,573
-Financial assets measured at amortized cost as pledge		5,830,983	3,694,782
Derivative financial assets	9	3,360,422	2,404,679
Derivatives used for hedging purposes	9	319,734	464,635
Loans and advances to customers	10	105,780,777	90,575,969
Investments in equity-accounted investees		3,232,645	3,084,421
Goodwill		383	459
Property and equipment		1,614,657	1,482,293
Investment property		1,012,615	916,164
Intangible assets		11,881	6,895
Deferred tax assets		583,966	856,153
Assets held for sale		-	-
Other assets		461,812	654,302
<b>Total assets</b>		<b>150,071,684</b>	<b>142,120,022</b>

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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2023 unless otherwise stated)

		Current Period 30 June 2023	Prior Period 31 December 2022
LIABILITIES	Notes		
Funds borrowed		94,962,117	84,719,760
Money market balances		5,003,224	2,960,961
Debt securities issued	13	20,082,535	25,815,443
Derivative financial liabilities	9	1,307,219	1,195,756
Derivatives used for hedging purposes	9	134,412	160,509
Current account of loan customers		728,332	883,613
Taxes and dues payable		57,060	50,700
Employee benefits		131,717	143,347
Corporate tax liability		212,457	644,360
Provisions	16	1,656,767	1,105,202
Lease liability		26,594	6,663
Other liabilities		2,075,653	2,620,282
Subordinated debt instrument	14	5,314,139	4,586,300
Deferred Tax Liabilities		-	-
<b>Total liabilities</b>		<b>131,692,226</b>	<b>124,892,896</b>
<b>EQUITY</b>			
Share capital			
Nominal paid in capital	17	2,800,000	2,800,000
Inflation adjustment to capital	17	13,629,281	13,659,066
<b>Total capital</b>		<b>16,429,281</b>	<b>16,459,066</b>
Share premium		5,232	5,232
Legal reserves		2,425,514	2,208,037
Fair value reserve		1,053,384	1,277,267
Revaluation reserve		126,444	466,830
Translation reserve		311,550	207,687
Actuarial gain/(loss)		(901)	(1,153)
Retained earnings		(2,262,523)	(3,661,118)
<b>Total equity attributable to equity holders of the Bank</b>		<b>18,087,981</b>	<b>16,961,848</b>
Non-controlling interests		291,477	265,278
<b>Total equity</b>		<b>18,379,458</b>	<b>17,227,126</b>
<b>Total liabilities and equity</b>		<b>150,071,684</b>	<b>142,120,022</b>
<b>Commitments and contingencies</b>	7	<b>147,416,982</b>	<b>151,081,354</b>

**TÜRKİYE SİNAİ KALKINMA BANKASI AŞ AND ITS SUBSIDIARIES CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS AT 30 JUNE 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2023 unless otherwise stated)

	Current Period 1 January – 30 June 2023	Prior Period 1 January – 30 June 2022
Notes		
Interest income calculated using the effective interest method	6,546,351	5,324,367
Other interest and similar income	14,698	14,324
Interest expense calculated using the effective interest method	3,403,116	2,155,080
Other interest and similar expense	32,325	4,166
<b>Net interest income</b>	<b>3,125,608</b>	<b>3,179,445</b>
Fee and commission income	261,624	254,921
Fee and commission expense	(26,959)	(24,907)
<b>Net fee and commission income</b>	<b>234,665</b>	<b>230,014</b>
Securities trading income / (loss), net	(16,814)	37,920
Derivative trading income / (loss), net	2,020,961	3,009,172
Foreign exchange gains / (loss), net	(224,499)	(2,270,461)
<b>Net trading income / (loss), net</b>	<b>1,779,648</b>	<b>776,631</b>
Net impairment loss	(1,847,519)	(2,146,319)
<b>Net operating income after impairment loss</b>	<b>3,292,402</b>	<b>2,039,771</b>
Other operating income	306,992	131,509
Other operating expenses	(724,845)	(586,255)
Dividend income	15,040	25,040
Share of profit of equity-accounted investees	64,931	(281,124)
Gain/loss on net Monetary position, net	(150,601)	(580,261)
<b>Profit before income tax</b>	<b>2,803,919</b>	<b>748,680</b>
Income tax expense	(1,017,987)	(1,020,900)
<b>Profit for the period</b>	<b>1,785,932</b>	<b>(272,220)</b>

# TÜRKİYE SİNAİ KALKINMA BANKASI AŞ AND ITS SUBSIDIARIES CONDENSED

## CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS AT 30 JUNE 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2023 unless otherwise stated)

	Notes	Current Period 1 January – 30 June 2023	Prior Period 1 January – 30 June 2022
<b>Profit for the year</b>		1,785,932	(272,220)
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurement of employee termination benefits		-	26
Revaluation of tangible assets		111,554	-
Other comprehensive income items not reclassified through profit or loss		527,322	68,509
Income Tax related to the above		-	387
<b>Items that are or will be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences		140,136	49,491
Net change in fair value of financial assets at fair value through other comprehensive income		(12,026)	(742,016)
Other comprehensive income items reclassified through profit or losses		(473,746)	(36,526)
Income Tax related to the above		51,722	218,916
<b>Other comprehensive income for the year, net of tax</b>		<b>344,962</b>	<b>(441,213)</b>
<b>Total comprehensive income for the year</b>		<b>2,130,894</b>	<b>(713,433)</b>
	Notes	Current Period 1 January – 30 June 2023	Prior Period 1 January – 30 June 2022
<b>Profit attributable to:</b>			
Equity holders of the Bank		1,759,578	(224,065)
Non-controlling interests		26,354	(48,155)
<b>Profit for the period</b>		1,785,932	(272,220)
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Bank		2,104,540	(665,278)
Non-controlling interests		26,354	(48,155)
Gain/(loss) on net monetary position, net		-	-
<b>Total comprehensive income for the period</b>		<b>2,130,894</b>	<b>(713,433)</b>
<b>Earnings per shareG</b>			
Basic and diluted earnings per share (in full TL)	18	0.6284	(0.0800)

# TÜRKİYE SİNAİ KALKINMA BANKASI AŞ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2023 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
Prior Period	Notes												
Balance at 1 January 2022		2,800,000	5,624,306	2,672	1,074,535	-	(4,635)	104,425	(81,056)	(1,828,436)	7,691,811	90,936	7,782,747
Current period (30 June 2022) purchasing power adjustment effect		-	3,568,021	1,132	455,107	-	(1,963)	44,228	(34,330)	(774,416)	3,257,779	38,515	3,296,294
Balance at 1 January 2022		2,800,000	9,192,327	3,804	1,529,642	-	(6,598)	148,653	(115,386)	(2,602,85)2	10,949,590	129,451	11,079,041
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		-	-	-	-	-	19	-	-	-	19	-	19
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		-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	299	31,773	(376,974)	-	(344,902)	-	(344,902)
Total comprehensive income for the period		-	-	-	-	-	299	31,773	(376,974)	(162,116)	(507,018)	(34,841)	(541,859)
Transactions with owners of the Bank		-	-	-	-	-	-	-	-	-	-	-	-
Contributions and distributions		-	-	-	-	-	-	-	-	-	-	-	-
Capital increase		-	-	-	-	-	-	-	-	-	-	-	-
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		2,800,000	9,128,530	3,796	1,597,613	-	(4,336)	136,198	(458,030)	(3,245,184)	9,958,587	96,669	10,055,256
Current period (30 June 2023) purchasing power adjustment effect		-	4,558,312	1,451	610,504	-	(1,657)	52,046	(175,029)	(1,240,099)	3,805,528	36,941	3,842,469
Adjusted Balances at 30 June 2022		2,800,000	13,686,842	5,247	2,208,117	-	(5,993)	188,244	(633,059)	(4,485,283)	13,764,115	133,610	13,897,725

# TÜRKİYE SİNAİ KALKINMA BANKASI AŞ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2023 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 2023		2,800,000	10,941,766	4,368	1,843,502	389,759	(963)	173,399	1,066,397	(3,056,688)	14,161,540	221,482	14,383,022
Current period (30 June 2023) purchasing power adjustment effect		-	2,717,301	864	364,535	77,071	(190)	34,288	210,870	(604,430)	2,800,309	43,796	2,844,105
Balance at 1 January 2023		2,800,000	13,659,067	5,232	2,208,037	466,830	(1,153)	207,687	1,277,267	(3,661,118)	16,961,849	265,278	17,227,127
Total comprehensive income for the period		-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period		-	-	-	-	-	-	-	-	1,759,578	1,759,578	26,354	1,785,932
Other comprehensive income		-	-	-	-	-	-	-	-	-	-	-	-
Remeasurement of defined benefit liability		-	-	-	-	-	-	-	-	-	-	-	-
Net change in fair value financial assets at fair value through other comprehensive income		-	-	-	-	-	-	140,136	515,296	-	655,432	-	655,432
Revaluation of tangible assets		-	-	-	-	111,554	-	-	-	-	111,554	-	111,554
Equity-accounted investees - share of OCI		-	-	-	-	-	-	-	(473,746)	-	(473,746)	-	(473,746)
Tax on other comprehensive income		-	-	-	-	-	-	-	51,722	-	51,722	-	51,722
Total other comprehensive income		-	-	-	-	111,554	-	140,136	93,272	-	344,962	-	344,962
Total comprehensive income for the period		-	-	-	-	111,554	-	140,136	93,272	1,759,578	2,104,540	26,354	2,130,894
Transactions with owners of the Bank		-	-	-	-	-	-	-	-	-	-	-	-
Contributions and distributions		-	-	-	-	-	-	-	-	-	-	-	-
Capital increase		-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution		-	-	-	-	-	-	-	-	-	-	-	-
Transfer to legal reserves		-	-	-	204,387	-	-	-	-	(204,459 )	(72)	72	-
Other changes		-	-	-	-	-	-	-	-	-	-	(54)	(54)
Gain/(loss) on net monetary position, net		-	2,687,515	864	377,625	(374,869)	62	(1,985)	(106,285)	(760,954)	1,821,973	43,623	1,865,596
Total transactions with the owners of the Company		-	2,687,515	864	582,012	(374,869)	62	(1,985)	(106,285)	(965,413)	1,821,901	43,641	1,865,542
Balance at 30 June 2023		2,800,000	13,629,281	5,232	2,425,514	126,444	(901)	311,550	1,053,384	(2,262,523)	18,087,981	291,477	18,379,458

# TÜRKİYE SİNAİ KALKINMA BANKASI AŞ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2023 unless otherwise stated)

	Notes	Current Period 30 June 2023	Prior Period 30 June 2022
<b>Cash flows from operating activities:</b>			
Interests and commissions received		4,657,804	4,644,914
Other operating activities, net		(2,850,704)	(2,055,963)
Cash payments to employees and suppliers		1,919,774	4,099,635
Interests and commissions paid		(491,758)	(351,723)
Dividends received		14,965	25,535
<b>Operating profit before changes in operating assets / liabilities</b>		<b>3,250,081</b>	<b>6,362,398</b>
<b>(Increase)/decrease in operating assets:</b>			
Loans and advances to customers		(907,108)	10,516,317
Balances with central banks		(1,180,711)	(587,007)
Financial assets at fair value through profit or loss		(578,994)	12,201
Other assets		237,403	(78,051)
<b>(Increase)/decrease in operating liabilities:</b>			
Funds borrowed		(3,313,752)	(4,055,486)
Obligations under repurchase agreements and money market fundings		(3,423)	(65)
Other liabilities		2,163,962	1,203,941
<b>Net cash outflows from operating activities before taxes and duties paid</b>		<b>(332,542)</b>	<b>13,374,248</b>
<b>Income taxes and other duties paid</b>		<b>(628,328)</b>	<b>(1,179,375)</b>
<b>Net cash outflows from operating activities</b>		<b>(960,870)</b>	<b>12,194,873</b>
<b>Cash flows from investing activities:</b>			
Sale of financial assets measured at Fair Value through Other Comprehensive Income		-	-
Purchase of financial assets measured at Fair Value through Other Comprehensive Income		-	1,208
Proceeds from sale of tangible assets		612	647
Purchase of tangible assets		(63,631)	(19,021)
Cash paid for purchase of entities under common control, associates and subsidiaries		3,465,012	2,495,174
Cash obtained from sale of entities under common control, associates and subsidiaries		(212,737)	(4,841,155)
Sale of financial assets measured at amortized cost		145,060	580,421
Purchase of financial assets measured at amortized cost		(413,056)	(6,198,843)
Other		(15,519)	(61)
<b>Net cash inflows/ outflows from investing activities</b>		<b>2,905,741</b>	<b>(7,981,630)</b>
<b>Cash flows from financing activities:</b>			
Increase in loans and advances from banks and other institutions, net		(7,525,457)	(2,078,415)
Increase in bonds payable, net		-	-
Dividends paid		-	(268)
Other		(59,463)	(33,666)
<b>Net cash inflows from financing activities</b>		<b>(7,584,920)</b>	<b>(2,112,349)</b>
<b>Effect of exchange rate changes</b>		<b>224,918</b>	<b>494,688</b>
Inflation effect on cashflow		(901,263)	(3,217,699)
Net increase in cash and cash equivalents		(6,316,394)	(622,117)
<b>Cash and cash equivalents at 1 January</b>	<b>(7)</b>	<b>9,152,285</b>	<b>7,203,333</b>
<b>Cash and cash equivalents at 30 June</b>	<b>(7)</b>	<b>2,835,891</b>	<b>6,581,216</b>