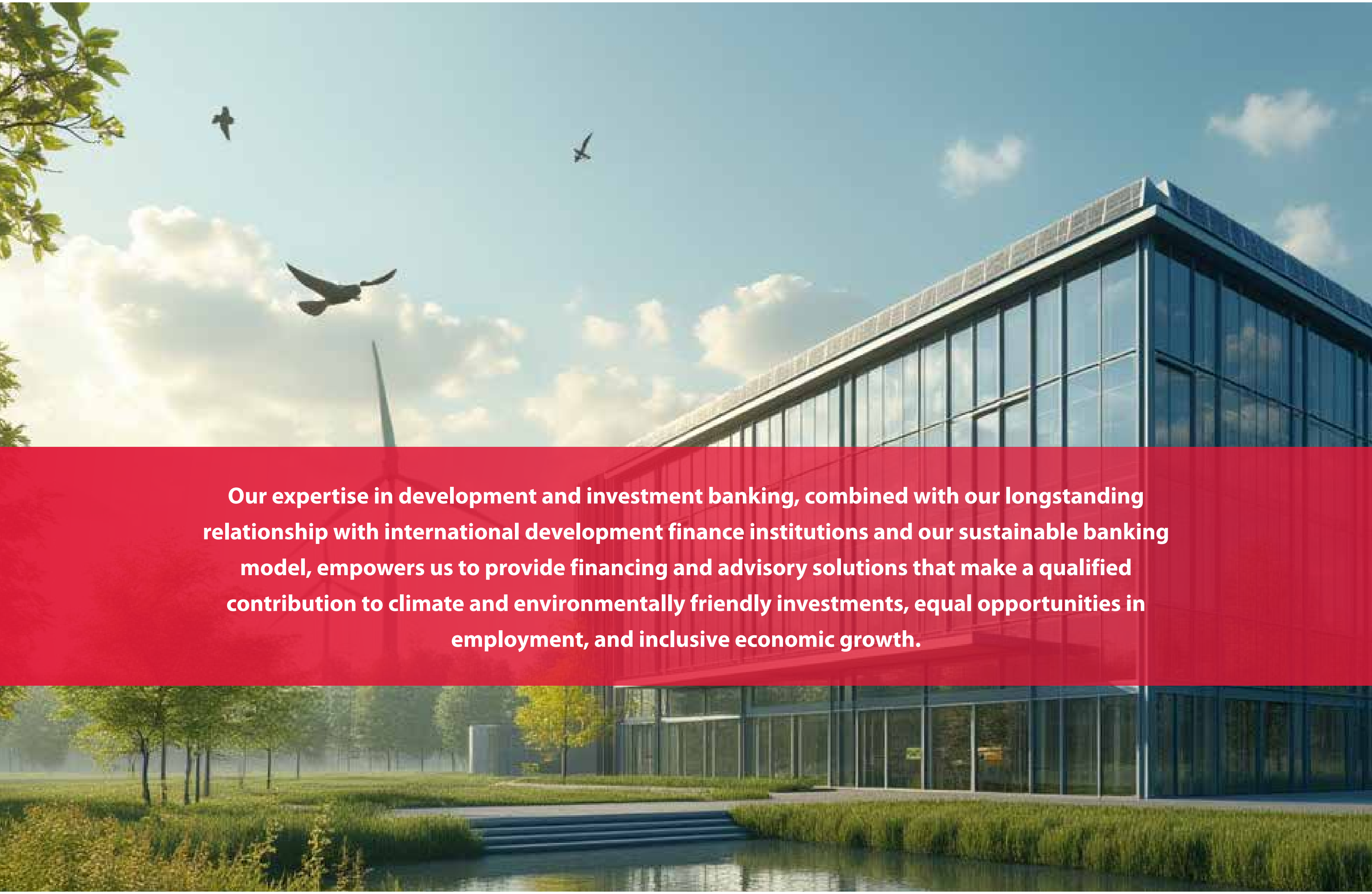
75 Years of Transforming the Future
Yesterday, Today, and Tomorrow of Development

75 TH YEAR TSKB

Türkiye Sustainability Reporting Standards Aligned
Integrated Annual Report 2024



Our expertise in development and investment banking, combined with our longstanding relationship with international development finance institutions and our sustainable banking model, empowers us to provide financing and advisory solutions that make a qualified contribution to climate and environmentally friendly investments, equal opportunities in employment, and inclusive economic growth.

Contents

About the Report

Alignment with Türkiye Sustainability Reporting Standards (TSRS)
TSKB's TSRS aligned 2024 Integrated Annual Report has been prepared in full compliance with TSRS 1 General Requirements for Disclosures of Sustainability-related Financial Information and TSRS 2 Climate-Related Disclosures. This report, covering the period from January 1, 2024, to December 31, 2024, has been prepared in the same period and scope as the year-end consolidated financial report of the Bank as of December 31, 2024.

Alongside the financial disclosures, the consolidated subsidiaries of TSKB, including Yatırım Finansman Menkul Değerler A.Ş. and TSKB Gayrimenkul Yatırım Ortaklığı A.Ş., and the non-consolidated subsidiaries, TSKB Gayrimenkul Değerleme A.Ş. and TSKB Sürdürülebilirlik Danışmanlığı A.Ş. (Escarus), are included in the scope of the report.

The report includes the Sustainability Disclosure Topics and Metrics as per TSRS 2 Sector-Based Guidance Volume 16 - Commercial Banks. Metrics that are not aligned with the development banking business model have not been included in the report. Additionally, a compliance table with the Sustainability Accounting Standards Board (SASB) standards, from which the Sector-Based Guidance is derived, is provided in the annex of the report.

Integrated Reporting and Guiding Resources
TSKB's TSRS aligned 2024 Integrated Annual Report has been prepared in line with the Integrated Reporting Framework created by the Value Reporting Foundation in collaboration with SASB under the International Financial Reporting Standards (IFRS) Foundation. The report is structured according to the capitals, presenting the relevant outputs and impacts of the value creation model under each capital element. Additionally, future targets are presented in light of integrated thinking principles.

The report also includes the United Nations Principles for Responsible Banking Report, of which the TSKB is a founding signatory.

The report, which has also been prepared in compliance with the GRI Standards, takes into account the requirements of the United Nations Global Compact (UNGC) 10 Principles, which the Bank joined in 2010, and the Women's Empowerment Principles (WEPs). Additionally, the Stakeholder Capitalism Metrics, created by the International Business Council under the World Economic Forum (WEF), have been considered during the reporting process.

The Bank presents the Transition Plan, which is expected to be disclosed under TSRS 2, in accordance with the framework of the Transition Plan Taskforce (TPT) under the IFRS Foundation.

Nature, Period and Scope of the Report
TSRS aligned 2024 Integrated Annual Report, which includes the Board of Directors' Annual Report covering the financial, environmental, social, and governance performance of the Bank for the year 2024, and covering the period from January 1 to December 31, 2024, is in compliance with the minimum reporting requirements set forth by the Banking Regulation and Supervision Agency (BRSA) and the Capital Markets Legislation (CML). The Bank does not operate internationally, and the report covers activities conducted within Türkiye.

Publication Format of the Report
TSRS aligned 2024 Integrated Annual Report has been produced with an eco-friendly approach and shared through digital platforms. The report can be accessed via the Public Disclosure Platform (KAP) and at www.tskb.com.tr

Assurance

TSRS aligned 2024 Integrated Annual Report includes an Independent Auditor's Report on the Board of Directors' Annual Report, issued by PwC Bağımsız Denetim ve SMMM A.Ş., as well as a Limited Assurance Report from the Independent Auditor regarding the information presented under the Türkiye Sustainability Reporting Standards. Additionally, audit services have been provided by TÜV SÜD within the scope of ISO 14001 for the Sustainability Management System and ISO 14064-1 for the calculation and verification of direct and indirect greenhouse gas emissions resulting from operational activities.

Senior Management Statement

The financial and non-financial information, targets and key performance indicators presented in TSRS aligned Integrated Annual Report are closely monitored by senior management in line with the Bank's strategy. The relevant Statement of Responsibility is available on page 254.

2024 Stakeholder Set

In addition to the TSRS aligned 2024 Integrated Annual Report, other important reports and presentations published in 2024 and/or reflecting the 2024 performance are presented below for the attention of stakeholders.

2023 Climate Report

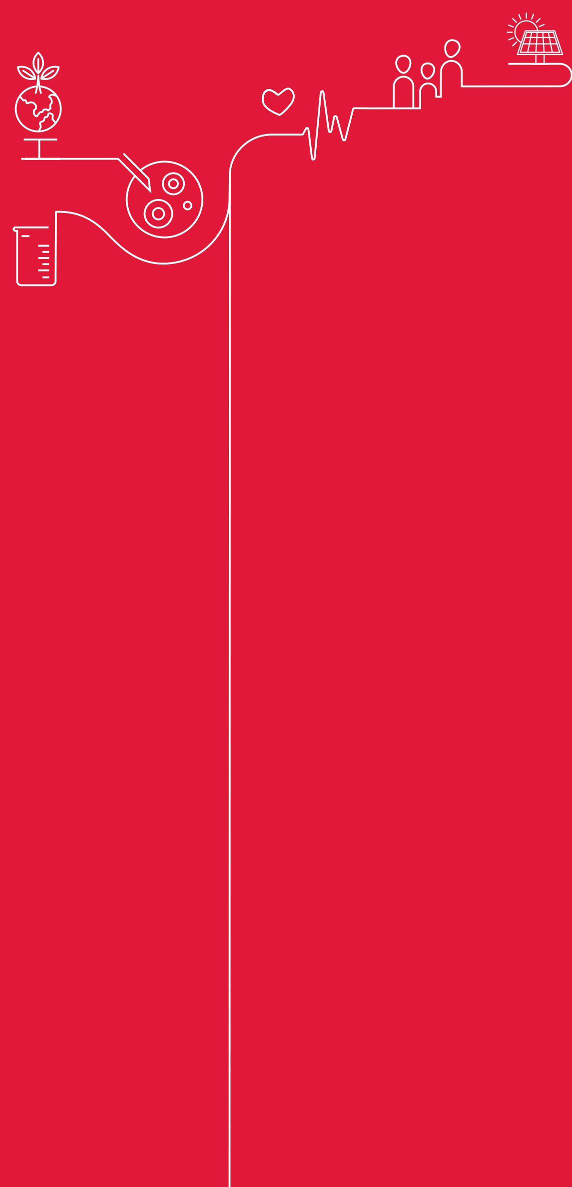
2024 CDP Report

2023 Allocation and Impact Reporting

2024 Investor Relations Presentation

2024 Sustainalytics ESG Risk Rating Report

TSKB AT A GLANCE



Corporate Profile

TSKB in Figures

TL 231.3 billion
Total assets

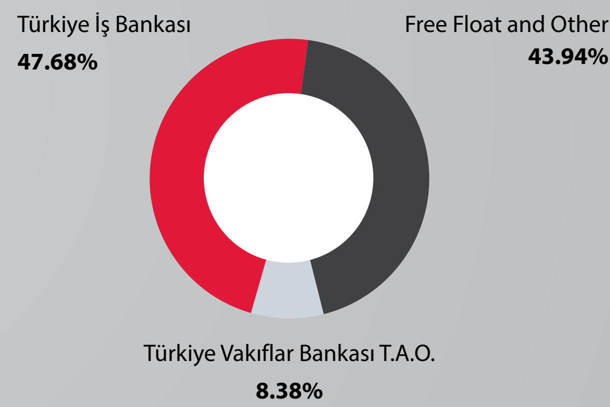
TL 32.5 billion
Total shareholders' equity

795 employees
Total number of employees including subsidiaries

TSKB's Shareholding Structure

TSKB shares, which are publicly traded in Borsa Istanbul (BIST) Stars Market under the ticker name "TSKB", have a free float ratio of 40.78% in actual circulation. As of the end of 2024, the Bank's registered capital is TL 7,500,000,000 and paid-in capital is TL 2,800,000,000.

The shares held by the Chairperson and members of the Board of Directors, members of the Audit Committee, CEO and Executive Vice Presidents are insignificant.



TSKB's Subsidiaries

Yatırım Finansman Menkul Değerler A.Ş.

TSKB Gayrimenkul Değerleme A.Ş.

TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.

TSKB Sürdürülebilirlik Danışmanlığı A.Ş. (Escarus)

Value Creation Model

Inputs

Financial Capital
- Diversity in funds and strong liquidity
- Medium and long-term DFI funding
- State-guaranteed funds
- Sustainable operational profitability
- Strong financial structure

Natural Capital
- Sustainability strategy integrated into business processes
- Environmental and social impact assessment
- 2050 Net Zero target and strategy
- Sustainability themed loans and products in business lines

Social Capital
- Inclusiveness incorporated in the Bank's mission
- Long-term stakeholder engagement
- Support for entrepreneurship and innovation
- Experience sharing on different platforms
- Social responsibility projects

Human Capital
- Investing in employees
- Equal opportunities and diversity
- Agile and efficient business approach
- Social benefits
- Employee clubs

Intellectual & Manufactured Capital
- Digital transformation and use of artificial intelligence
- Sectoral expertise
- Theme and product development competence
- Know-how empowered advisory services
- Subsidiary support with different expertise

Fundamentals of Knowledge Banking

Technical, financial and industrial experience

Environmental and social impact assessment and analysis competency

Intact and ESG-oriented loan portfolio

Value Created and Impact

- Loan portfolio with 74% consisting of investment loans
- Net interest margin: 6.3%
- Return on equity excluding free provisions: 38.5%
- Capital adequacy ratio: 26.9%

92% Ratio of SDG-linked loans in the total portfolio

- Best ESG risk rating in Türkiye
- Contribution to 14 million tons of CO_2 emission reduction through renewable energy projects we have financed
- 100% green electricity usage and carbon-neutral bank
- Percentage of the loan portfolio included in Scope 3 calculation and verification processes: 35.4%

58% Ratio of environment and climate focused SDG-linked loans in the total portfolio

- Impact report for women empowerment projects
- Raising awareness on equal opportunities through the "Equal Steps" program
- Inclusion, Diversity, Equal Opportunities Perception and Awareness Survey
- Supporting 17 students through the "Women Stars of Tomorrow" project

83 Number of companies benefiting from women employment and women empowerment themed loans

- Percentage of women in the management team: 53%
- Percentage of women on the Board of Directors: 36%
- Gender pay gap: 0.05
- Average annual training hours per employee: 45.7

51% Female employee ratio

- TSKB Advisory Services Net Promoter Score: 9.7/10
- Number of TSKB Economic Research Reports: 423
- ~30,000 books in the TSKB Library
- Türkiye Green Fund

24 Number of projects included in the RPA process

Support for Sustainable and Inclusive Development

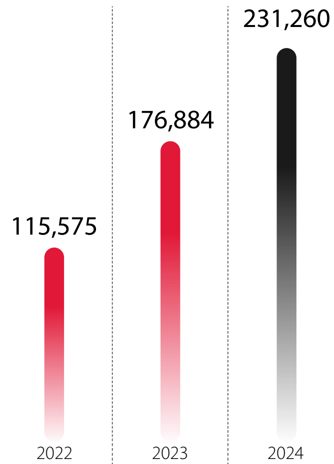
EXTERNAL FACTORS

Economic Developments | Regulations of Authorities and Legal Changes
Sectoral Developments | Other Factors

Strategic and agile management approach | **Qualified human resources and expertise** | **Efficient and effective use of resources** | **Effective risk management** | **Power to create shared value together with subsidiaries**

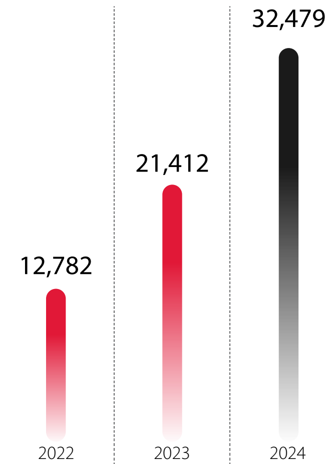
Key Financial Performance Indicators and Ratios

Total Assets
(TL million)



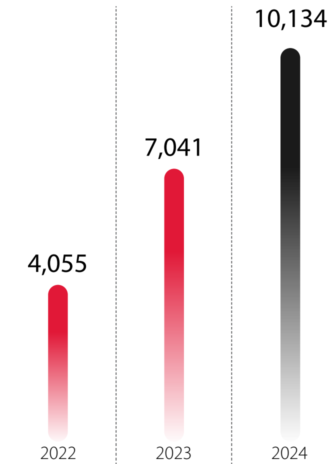
GROWTH
30.7%

Shareholders' Equity
(TL million)



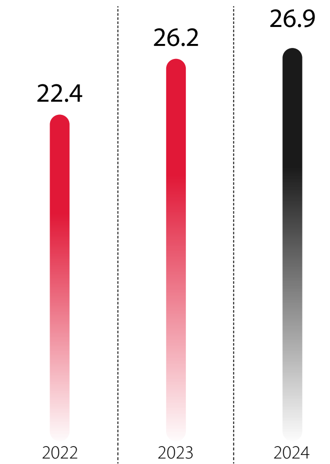
GROWTH
51.7%

Net Profit
(TL million)



GROWTH
43.9%

Capital Adequacy Ratio
(%)



BPS IMPROVEMENT
70

Financial Indicators

	2020	2021	2022	2023	2024
Total Asset (TL million)	51,466	84,096	115,575	176,884	**231,260**
Total Loans (TL million)	39,120	63,905	80,274	130,137	**166,418**
Shareholders' Equity (TL million)	6,104	6,941	12,782	21,412	**32,479**
Net Profit (TL million)	733	1,089	4,055	7,041	**10,135**
Return on Equity (%)	13.0	16.7	41.1	41.2	**38.5**
Return on Assets (%)	1.6	1.6	4.1	4.8	**4.9**
Capital Adequacy Ratio (%)	19.4	20.8	22.4	26.2	**26.9**

In 2024, the 75th anniversary of its establishment, TSKB has demonstrated strong performance contributing to its sustainable and profitable growth strategy.

Message from the Chairperson

Dear stakeholders,
We are proudly preparing to celebrate TSKB's 75th anniversary with strong hopes for the future.

Our corporate history, captured in the phrase "75 years transforming the future," highlights the key milestones in Türkiye's development. This enduring journey, which bridges the past and present, also carries the codes and visions of the future.

This anniversary is significant for TSKB as it also represents a major milestone in Türkiye's sustainable development efforts. Since its establishment in 1950, TSKB has consistently contributed to the growth of private capital investment and the development of modern industry in our country.

It introduced a wide range of areas, including privatization, consulting, mergers, and acquisitions, to our markets and the business community, generating significant value.

In summary, in 75 years of transforming the future, TSKB has played a key role in helping our country become a global player.

TSKB is ready for the rapid changes we are undergoing today. We prioritize a meticulous assessment of both risks and opportunities, addressing challenges posed by a demanding agenda and profound change. We are committed to navigating the complexities of the global climate crisis, geopolitical risks, economic fluctuations, and trade wars while maintaining our forward momentum.

In 2024, the global economy showed signs of a soft landing despite the challenges and uncertainties that persisted in global markets.
In 2024, the majority of economic administrations, particularly in advanced economies, adopted a tight monetary policy. This led to a decline in global economic activity, causing global economic growth to lag behind the historical average of 3.7% from 2000 to 2019. Growth performance varied across regions. While the Eurozone and China experienced slow growth, the US demonstrated a relatively stable outlook.

In 2024, disinflation achieved notable success in advanced economies. The tight monetary policies created an environment favorable for central banks, such as the Federal Reserve and the ECB, to lower interest rates. Interest rate cuts started in the Eurozone in June and in the US in September. This process is expected to continue gradually in 2025.

According to the IMF, global growth was 3.2% in 2024. According to the IMF's January 2025 World Economic Outlook update, global growth is projected to increase to 3.3% in 2025 and 2026, while global consumer inflation, which stood at 5.7% in 2024, is forecast to drop to 4.2% in 2025. However, the potential for emerging geopolitical risks, particularly those stemming from the uncertainties created by rising protectionist tendencies in 2025, could lead to a decline in global growth and an increase in the inflation rate. Concurrently, developments in global demand, geopolitical risks, and supply-side factors will have a substantial impact on oil and other commodity prices.

In summary, while the global economy experienced a soft landing in 2024, the risk of recession appears to have diminished.

Our corporate history, captured in the phrase "75 years transforming the future," highlights the key milestones in Türkiye's development. This enduring journey, which bridges the past and present, also carries the codes and visions of the future.

Message from the Chairperson

Disinflation played a decisive role in the performance of the Turkish economy
The tightening monetary policy, introduced in the second half of 2023, was followed uncompromisingly throughout 2024. The lagged effects of a policy set aimed to control inflation and eventually achieve single-digit figures began to be evident in the second quarter of the year. While the loss of momentum in economic growth was evident in the third quarter, year-on-year growth in the first three quarters was 3.2%.

During this period, the contribution to growth from consumption and investments declined, and the positive contribution from exports, which started in the first quarter, continued until the end of the year. While the composition of growth was balanced, industrial production began to slow in the second quarter.

The Central Bank of Türkiye used macro-prudent measures to support its tight monetary policy. The policy rate was raised from 45% to 50% in March 2024. Revisions of the required provision ratios combined with restrictions imposed on credit growth in TL and FX played a role in decreasing inflation.

The consumer price index (CPI), which remained high throughout the year, peaked at 75.5% in May. It declined in the second half of the year due to the base effect and was 44.4% as of the end of 2024. In 2024, the downward trend of inflation encouraged a rate cut starting with 250 basis points.

The Central Bank of Türkiye underlined that its interest rate decisions would be data-driven, signaling to the markets that it would follow a cautious approach.

We expect economic activity in Türkiye to converge to 2024 levels in the first three quarters of 2025, while the last quarter is expected to be the most challenging in fighting inflation.

Taking our ambition to new horizons
In 2024, we relentlessly pursued our efforts in sustainable and impact-oriented banking and made new achievements.

By providing long-term financing for efficient, productive, inclusive, and environmentally friendly projects, which we consider to be the cornerstones of national economic development, we continued to maximize our impact on the environmental, social, and governance (ESG) pillars.

During the year, we secured long-term financing totaling USD 1.7 billion from international capital markets, international financial institutions, and development finance institutions. We continued to provide multifaceted support for renewable energy, energy efficiency, climate technologies, circular economy, and gender equality while expanding our portfolio, which is primarily composed of loans linked to the Sustainable Development Goals (SDGs). We strengthened our efforts to support the redevelopment of areas affected by the devastating earthquake on February 6, 2023.

Sustainability, SDGs and ESG criteria are TSKB's key operational anchors. We are committed to generating a positive impact, creating and sharing benefits, and pursuing inclusive development through our activities. In the coming period, we will continue to be solution partners for projects that overlap with our risk management and lending principles and SDGs.

We will continue to leverage our investment banking and advisory services, which are fundamental to our business, as channels for creating impact.

Reinforcing our positive impact on the social axis
For many years, we have been creating value through projects in culture and arts, environment, and women's employment, which provide significant social benefits. We are convinced that development in culture and arts is vital for social development and prosperity. We have so far reached 110 young female musicians through the "The Woman Stars Tomorrow" education fund, which we established in 2018 together with İKSV. In 2024, we had the privilege of supporting 17 young female musicians. We were both moved and proud of the outstanding performances of our valuable artists at the 52nd Istanbul Music Festival.

Focusing on Türkiye's green transformation and sustainable development
Our experience in sustainable banking will allow us to continue improving our financial performance and increasing the value we generate for our country in 2025 and beyond. In the near future, we are committed to expanding our product, service, and solution range to include innovative ESG-related products, and we will be allocating additional resources to prioritize our efforts in mitigating the adverse impacts of climate change and ensuring inclusive development.

By providing long-term financing for efficient, productive, inclusive, and environmentally friendly projects, which we consider to be the cornerstones of national economic development, we continued to maximize our impact on the environmental, social, and governance (ESG) pillars.

On behalf of the TSKB Board of Directors, I would like to express my gratitude to our shareholders, employees, retirees, business partners, and customers for their contributions and support.

Hoping to meet with our stakeholders in a beautiful future where we will continue to work and create value for our country and share,

Yours sincerely,

HAKAN ARAN
Chairperson of the Board of Directors

Message from the CEO

Dear stakeholders,
When we look back at the last 75 years of the world and our country, we see that we see that our journey has been shaped by significant turning points. In the 1950s, the changing global and national landscape created an imperative for the transformation of Turkish private industry and the business world in general. Our young economy, built from scratch with the proclamation of the Republic, was poised for a new phase of expansion and growth. At that time, investments, long-term funding, and know-how were urgently needed in many areas.

In response to the mounting demand for specialized services, TSKB's organization began to take shape. With the support of the World Bank, the initiative took on tangible form on 11 March 1950, when the founding members of our Bank came together at the Istanbul Branch of the Turkish Central Bank. During this meeting, they approved our Articles of Association and elected our inaugural Board of Directors. This marked the beginning of our Bank's commitment to delivering dependable and qualified services to our stakeholders.

For 75 years, we have played a key role in every phase of Türkiye's sustainable growth journey, creating lasting value and our innovations and contributions across diverse sectors have been instrumental in numerous projects.

The only privately-owned development bank: TSKB
Our status as the only privately-owned development bank in the world sets us apart in Türkiye and on the global stage. We carry out all our activities in alignment with our strategy, which we have structured with a long-term perspective. And today, we design and implement our roadmap in line with the necessary investments in the strategic development areas of our country, as we did in the past. We consider it our primary duty to leverage our financial resources and technical expertise to invest in areas where our country requires development, using our experience and knowledge to drive these initiatives.

We are working closely with the public sector. The majority of the long-term funding that we provide in Türkiye's strategic development areas is guaranteed by the Ministry of Treasury and Finance of the Republic of Türkiye. Development banks are among the key stakeholders in our value creation journey. The shared objective of reducing inequalities and ensuring sustainable development is the foundation for our collaboration with these institutions. In our relations with these institutions, we give priority to social development and just transition through themes focusing on inclusiveness as well as climate risk mitigation and adaptation.

Our efforts to develop cooperation and funding for the economic, social, and cultural reconstruction of the region following the earthquake disaster we suffered on 6 February 2023, which devastated 11 provinces, are among the most tangible and recent examples of this.

Differentiating ourselves in our sector with our technical expertise and intellectual capital

While our technical expertise and intellectual capital set us apart in our industry, we measure the non-financial impact of the projects we engage in at every stage, take action to improve and increase that impact, and work with our stakeholders.

Borrowing from TSKB helps our stakeholders achieve further environmental, social, and governance gains. The loans we provide have environmental, social, and governance (ESG) performance targets that are independent of where the loans are used. The fulfillment of the criteria set in this regard is as important to us as the financial performance of the loan. By meeting these criteria, we expand the non-financial impact we have on the economy and society and fulfill our commitments to funding institutions.

Increasing importance of development banks around the world

Our Bank has been a member of the Executive Committee of the International Development Finance Club (IDFC) since 2019. In July of 2024, we had the privilege of hosting the club's Management Committee Meeting. This prestigious event, which was held for the first time in our country, was hosted at our headquarters in Istanbul and brought together leaders of development banks from various regions worldwide, spanning from Europe to South America. During this meeting, we engaged in insightful discussions on the current state and future direction of development banking.

For 75 years, we have played a key role in every phase of Türkiye's sustainable growth journey, creating lasting value and our innovations and contributions across diverse sectors have been instrumental in numerous projects.

Message from the CEO

The IDFC Executive Committee is an important platform where development finance institutions from different regions come together to discuss sustainability goals, and we had the opportunity to discuss the Club's global strategic roadmap and agenda, as well as the expansion of our relationships and areas of cooperation with member banks, which are important financial actors in Türkiye for green transformation and inclusive development.

Working for the deepening and development of capital markets in Türkiye

As an institution that has played an important and pioneering role in the development of capital markets in Türkiye since its inception, we took a major step towards linking traditional capital markets with development banking in 2024 by establishing the Türkiye Green Fund in cooperation with the World Bank under the guarantee of the Ministry of Treasury and Finance of the Republic of Türkiye.

Türkiye Green Fund, the first loan-financed venture capital investment fund focused on emission reduction and inclusive transformation in Türkiye and globally, will contribute significantly to our nation's 2053 Net Zero target with a roadmap that puts the management of climate risks at the center. The fund also aims to mobilize private sector capital and has started to provide capital investments to companies. We expect the size of this fund that will contribute to the development of capital markets with its innovative structure to reach USD 405 million with new participants.

Advisory services maintained their successful performance in 2024

We offer our clients, through both the Bank and our subsidiaries, the advisory services that are the result of our intellectual strength.

In 2024, we had the opportunity to expand our impact by working with a large number of companies through our advisory services, and our subsidiaries Yatırım Finansman, TSKB Gayrimenkul Değerleme, Escarus and TSKB Gayrimenkul Yatırım Ortaklığı successfully closed the year with strong results. Additionally, our commission income from advisory services increased significantly.

Organizational improvements in 2024

As part of our sustainable banking efforts, we took an important step in 2024 and established the TSKB Climate Change and Sustainability Management Department. We have brought together the activities carried out by different units within the Bank and organized this function, which we believe is very important for our Bank, under a single unit. This structure, which gives us significant strength, supports the necessary review of each loan file by measuring its impact on long-term targets and commitments while enabling us to develop new medium- and long-term targets and effectively manage our position in these targets.

Our most valuable asset for 75 years: our employees

Our employees—the most valuable asset of our organization and the driving force behind our sustainable performance—hold a key position at TSKB. We integrate inclusive and equitable approaches into our human resources policies, embracing the UN Global Compact principles, and strive to set an example in this field. We prioritize our employees in all business processes, aiming to provide them with the greatest benefits while enhancing our reputation as an employer of choice. The surveys we conducted in 2024 indicate that our employees continue to demonstrate strong commitment and take pride in being part of TSKB.

The second development hub in Ankara is fully operational

Immediately after the earthquake disaster we suffered in 2023, we started TSKB Second Development Hub in Ankara, our capital city located in the heart of our country. The Hub is fully operational, and we believe that it contributes significantly to our business continuity. In addition to the wide range of banking services it offers, the Ankara hub also provides access to a significant talent pool. Ankara is also advantageous because of its proximity to the earthquake zone where we operate.

Continuing to create lasting value through socially beneficial projects

We strive to create lasting value in a variety of areas, from education to the arts, with projects that benefit the community in the long term. Our Bank, working with the vision of inclusive and high-quality development for a sustainable future, has launched nine TSKB Centennial Republic Libraries as part of the "11 Libraries in 11 Provinces" project in the earthquake zone, which it has committed to complete by 2025, starting from September 2023. With the opening of two additional libraries by the end of May 2025, we will have fulfilled our commitment to open 11 libraries in 11 provinces.

In addition to our ongoing projects focused on creating social benefit, we launched the TSKB 75th Anniversary Kindergarten project in 2025, in celebration of our Bank's 75-year milestone, to support pre-school education and we opened our first kindergarten in Kilis/Öncüpınar. We recognize this stage as the most critical in fostering the cognitive and emotional development of our children, and we also aim to encourage women's active participation in the economy.

Dear Stakeholders,
Before concluding my message, I would like to share my observations on our financial performance in 2024 and my thoughts on the future.

Our financial performance throughout 2024 demonstrated remarkable success, owing to our solid financial standing and the effectiveness of our business model. In 2024, our loan portfolio grew by 11.6% on an FX-adjusted basis as we extended more than USD 1.8 billion worth of long-term cash loans to our clients. I'd like to emphasize that a considerable portion of this growth can be attributed to investment loans that play a vital role in the development of our nation.

Loans accounted for 72% of our total assets, while investment loans accounted for 74% of our total loans. We are pleased to say that this is by far the highest level in our industry.

During the reporting period, we executed six funding agreements with Development Finance Institutions, two of which were with new partners, focusing on green and social themes such as climate action and inclusive economic growth, in addition to earthquake resilience. In 2024, we were very active in international capital markets, strengthening our diverse funding structure with a total of USD 1.7 billion in funding, which represents a record high in TSKB's history. Our Additional Tier-1 Eurobond issuance in March and our successful Eurobond issuance in October supported our operations with our effective liquidity and capital management strategy.

Our asset quality strengthened even further in 2024. In 2024, our collection performance strengthened, driven by changes in our loan categorization. The Stage 2 loan ratio dropped to 6.8%, while the Stage 3 ratio remained steady at 2.2%. We announced the highest return on equity in the sector and further strengthened our shareholders' equity with these results. Our net profit for the period exceeded TL 10 billion, up 44% compared to the previous year.

Despite having more than TL 2 billion of free provisions, we recorded the best return on equity ratio in the sector at 38.5%. Our fee and commission revenues increased by 13% year-on-year, maintaining their significant contribution to the total banking revenues.

Looking to the future;
Since our founding 75 years ago with a mission to support the growth of Turkish industry, we've contributed to the country's long-term development. In light of the evolving global landscape, where the role of development banks in promoting sustainable, equitable, and inclusive growth is becoming increasingly pivotal, our Bank remains committed to fulfilling its responsibility.

We will continue to allocate increasing resources to the economy, contribute to the welfare of all segments of society through quality credit programs, and support the private sector with our inclusive development vision and the transformative power we create together with our stakeholders.

I would like to extend my sincere gratitude to our valuable stakeholders with whom we have been creating value for 75 years.

Yours sincerely,

MURAT BİLGİÇ
Board Member and CEO

Interview: TSKB Sustainability Leader

As the climate crisis evolves, we are witnessing a rise in the frequency of catastrophic consequences. Could you comment on how TSKB, which stands out with its exemplary practices in sustainability and ESG, has progressed in this area and what has been achieved so far?

I would like to start with a few recent findings on the impacts of the climate crisis. The World Meteorological Organization (WMO) recently confirmed that 2024 was the hottest year recorded based on six international datasets. The last decade, 2015-2024, was the warmest decade on record, and, likely, we have also left behind the first calendar year in which the global average temperature was 1.5°C above the 1850-1900 average. In 2024, there were extraordinary increases in land and sea surface temperatures and ocean heat. All of these findings mean that the Paris Agreement's long-term temperature goal is still valid, but that our world is in serious danger. The need to rapidly increase global efforts and contributions to climate action becomes clear as we examine these and countless other scientific data points.

TSKB has a special role in Türkiye's economic development. In the 1980s, TSKB pioneered a new approach in Türkiye by integrating environmental factors into its credit assessment processes, thereby establishing the foundations for sustainable banking.

Since its establishment, TSKB has differentiated itself as a forward-thinking and visionary bank. In the 2000s, driven by the demands of the international financial institutions it collaborates with and the influence of emerging mega trends in the market, it began to internalize sustainability, implement it in every aspect, and elevate it to new heights.

We have set an example and reached out to thousands of institutions and organizations involved in the economic cycle with the projects we have financed, as well as the numerous initiatives we have implemented in sustainable banking and the international initiatives we have signed. TSKB has become one of the first banks to come to mind and one of the most respected reference points in sustainability, both globally and locally.

To clearly illustrate our strong position in sustainable finance and the impact we are making, I would like to share some examples of our achievements against our sustainability targets through the end of 2024. During the reporting period, the share of loans linked to the SDGs in the Bank's total loan portfolio was 92% while the share of loans contributing to the climate and environment-focused SDGs was 58%.

TSKB aims to increase its SDG linked financing volume to more than USD 10 billion by 2030, and as of 2024, it has reached a total financing volume of USD 5.2 billion, achieving 52% of its target. Our net contribution to this target in 2024 was USD 1.8 billion. Similar targets and achievements are discussed in detail in related capital sections of our report.

For TSKB, which provides development banking services, sustainability is not only a way of doing business and a fundamental philosophy that shapes its relationships with stakeholders but also the focus of its products and services and its key advisory strength.

We will continue in 2025 and beyond to focus increasingly on our targets in sustainable financing, to build new global relationships, and to finance investments that will generate a positive impact on the environment and society. In addition to our lending channel, we will effectively leverage our investment banking, capital markets, and advisory services and the capabilities we have built in these areas to support the green transformation of Türkiye and the private sector. We have significant leverage to achieve this goal through our strong financial and non-financial capital elements.

During the reporting period, the share of loans linked to the SDGs in the Bank's total loan portfolio was 92% while the share of loans contributing to the climate and environment-focused SDGs was 58%.

TSKB aims to increase its SDG linked financing volume to more than USD 10 billion by 2030, and as of 2024, it has reached a total financing volume of USD 5.2 billion, achieving 52% of its target.

Interview: TSKB Sustainability Leader

How do you evaluate your ESG performance within the scope of international ESG rating agencies and indices? Do these assessments influence your reporting approaches?

Sustainability indices focus on the environmental, social, and governance performance of companies. By eliminating ESG risks through their dynamic structures, they play a critical role in helping investors build sustainable portfolios and make the right investment decisions.

TSKB was included in 7 international indices by the end of 2024. With an ESG Risk Rating of 7.4 and an Management Score of 70.9, our bank ranked first in Türkiye, 15th out of 98 global development banks, 18th in the global banking sector, and 70th out of nearly 15,000 institutions rated by Sustainalytics as of 30 October 2024.

TSKB is listed in the Borsa Istanbul Sustainability Index and has improved its position in the index with a score of 85 points in the LSEG ESG rating and has been rated as one of the best banks in Türkiye. TSKB's Corporate Governance Rating increased from 96.55% (9.66 out of 10) to 96.67% (9.67 out of 10) as of 18 October 2024 following the corporate governance rating study conducted by SAHA Rating. We believe that having

TSKB was included in 7 international indices by the end of 2024. With an ESG Risk Rating of 7.4 and an Management Score of 70.9, our bank ranked first in Türkiye, 15th out of 98 global development banks, 18th in the global banking sector, and 70th out of nearly 15,000 institutions rated by Sustainalytics as of 30 October 2024.

our ESG performance recognized with high ratings on domestic and international platforms is valuable and important in signaling our consistent performance.

We will continue to use ESG ratings and indices to monitor our performance in a comparable and transparent manner. We are also committed to improving how we communicate sustainability and, as always, to fully implementing the new regulations that are going to be introduced.

As a first step, TSKB became a member of the Net-Zero Banking Alliance in 2022. In 2023, it has committed itself to the Science-Based Targets Initiative for emissions targets. How would you describe your Sustainable Finance Strategy, which you have updated to reflect current conditions and developments, and what would you like to share about your future targets?

The Net-Zero Banking Alliance is a groundbreaking initiative in sustainable finance. It brings together the world's leading banks in a shared commitment to achieve net-zero emissions by 2050. The alliance is an important step in aligning the banking sector with global climate goals and was created under the umbrella of the United Nations Environment Program Finance Initiative (UNEP FI). Participating banks commit to strong climate action, including setting interim targets, developing transparent policies, and disclosing progress. Having committed the Net-Zero Banking Alliance, our Bank received approval from the Science-Based Targets

Initiative to adopt the targets that make up its net zero roadmap. Details on our targets are included in the relevant sections of our report. I would like to take a moment here to remind you of our commitment to end coal financing by the end of 2035, in line with our NZBA commitment and our SBTi targets. Continuing this commitment, our Bank has updated and communicated its Climate Change Mitigation and Adaptation Policy to include the decision that it will not participate in additional investments to expand capacity in coal-fired thermal power plants and coal mining for electricity generation.

We believe that by communicating effectively with all of our stakeholders, we can achieve our targets for the period ahead. Through active participation in the working groups of national and international initiatives and regulatory bodies, we have the opportunity to build capacity and evaluate potential collaborations by sharing our experiences. We participated in workshops to develop and implement the National Green Taxonomy, the Turkish Sustainability Reporting Standards, and the draft Green Asset Ratio Communiqué with public and regulatory bodies such as the Ministry of Environment and Urbanization's Directorate of Climate Change, the Ministry of Industry and Technology, the Ministry of Trade, the Ministry of Treasury and Finance, the Banking Regulation and Supervision Agency (BRSA), and the Public Oversight Authority.

In August, we updated our Sustainable Finance Framework to reflect the latest principles published by the International Capital Markets Association (ICMA), market dynamics, and best practices. We were one of the first in the world to include the transition finance dimension in our framework document.

In August, we updated our Sustainable Finance Framework to reflect the latest principles published by the International Capital Markets Association (ICMA), market dynamics, and best practices. We were one of the first in the world to include the transition finance dimension in our framework document. We were also the first institution in Türkiye to receive a second-party opinion in this regard. Thus, in the coming period, we will be able to use transition financing to support the green investments of our companies operating in high-emitting sectors.

At TSKB, we work for the sustainable development of Türkiye through our financing and advisory solutions, drawing on our specialized human capital, know-how, focused approach, and deep-rooted international cooperation in the field of development and investment banking. In 2024, following organizational revisions, we established the Climate Change and Sustainability Management Department.

I am convinced that every step we take will strengthen the sustainability know-how and business skills that we have been building up for more than 20 years and will be a source of motivation for us in the future.

I would like to take this opportunity to extend my respect to all our internal and external stakeholders who have partnered with us on our long-term and forward-looking sustainability journey.

MERAL MURATHAN
Executive Vice President and Sustainability Leader

STRATEGY, PERFORMANCE AND INSIGHTS

Sustainability Related Information

Strategic Plan

Capitals

TSKB's Strategic Plan

Mission

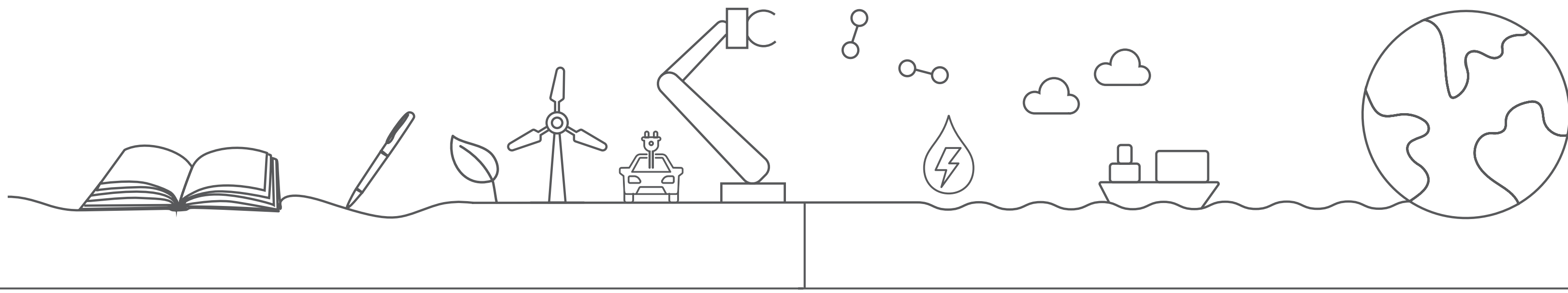
We create value for the inclusive and sustainable development of our country through our high caliber human capital our know-how, our visionary approach, and our financing and advisory solutions, backed by our well-established international partnerships.

Vision

We aim to be a business partner that provides quality services for the sustainable and inclusive development of Türkiye that pioneers international best practices in our country, and that is trusted, consulted and preferred by our stakeholders for these reasons.

Our Corporate Value

Strengthen our competitiveness by building relationships with our stakeholders based on trust and respect.



Distinctive Factors in Competition

Long-term Cooperation with Development Finance Institutions and Financial Institutions

We have access to the long-term funds of development finance institutions; we operate in long-term, effective cooperation with development finance institutions and other financial institutions by constantly observing the economy and needs of our country.

Customer-Centric Approach

We recognize and define the needs of our customers by anticipating changing conditions and produce need-oriented solutions.

Sustainable Development Finance, Investment Banking, and Advisory Expertise

Through the partnerships we have established with our stakeholders, we are a development and investment bank providing services for green transformation in the fields of sustainable development finance, investment banking, and advisory.

Looking Ahead

As part of TSKB's 75th anniversary activities, workshops have been initiated with active participation from employees to redefine the Vision, Mission, and Values set from a future perspective. Through these workshops, we aim to reshape our core values that will carry TSKB into the future, in light of the strengths we have inherited from the past. This process will help further strengthen our corporate culture and create a roadmap that will enable us to move forward with more solid steps into the future.

External Factors

Although the European Central Bank is likely to continue with a similar pace of interest rate cuts in the Eurozone through 2025, long-term bond yields have been on the rise on the back of rising political uncertainty.

GLOBAL ECONOMIC DEVELOPMENTS

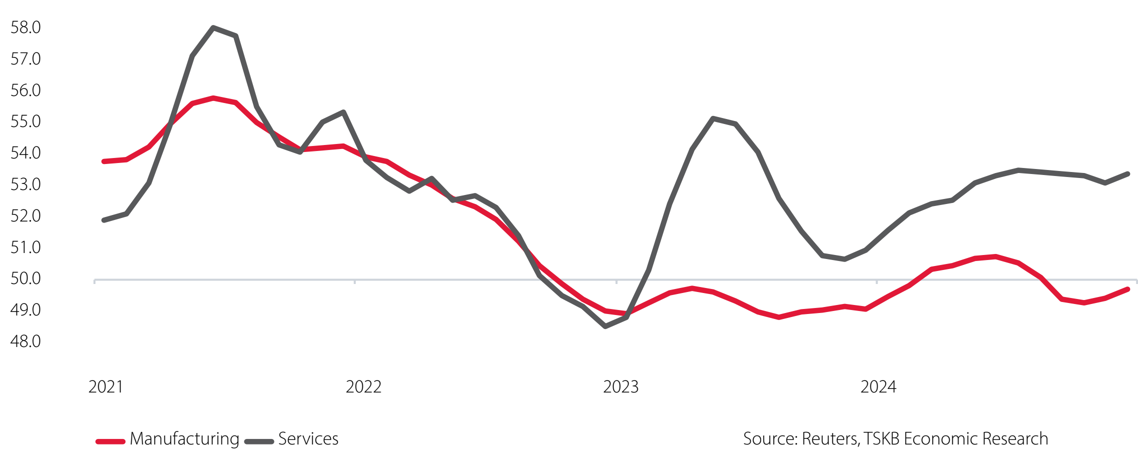
Limited recovery in the global economy
While the world economy rebounded somewhat in 2024, there were regional differences. However, the high level of geopolitical tensions and political uncertainties limited economic activity, and interest rate cuts by the major central banks began to provide support to the global economy in the second half of the year. Despite volatile commodity prices and fluctuations in transportation costs, there has been a demand-driven improvement in global inflation due to the lagged effects of monetary policy. While the tight expectations limited the improvement in core inflation, the high trajectory of services inflation was noteworthy.

Inflation is expected to move closer to central bank targets in many countries, although recent heightened policy uncertainties have increased upside risks to the global inflation outlook. The US Federal Reserve's (FED) rate cuts are likely to be at a slower pace as the upside risks to inflation increase. Although the European Central Bank (ECB) is likely to continue with a similar pace of interest rate cuts in the Eurozone through 2025, long-term bond yields have been on the rise on the back of rising political uncertainty. Therefore, global interest rates are expected to remain high for some time.

Demand conditions pressure commodity prices, while production cuts and sanctions limit crude oil prices from falling. In 2024, global industrial production and the volume of global trade grew by 1.5 percent in real terms on an annual basis. Geopolitical uncertainties, supply disruptions in oil-exporting countries, and the embargo imposed on Russia continued to cause energy prices to fluctuate. Weak demand in major economies, particularly China, is a general drag on commodity price increases.

In 2024, the average price of Brent crude oil was USD 79.9 per barrel, compared with USD 82.2 per barrel in 2023. Global demand in the coming period is expected to be similar to 2024. However, commodity price volatility may continue due to ongoing geopolitical uncertainties and factors stemming from the ecosystem crisis.

Manufacturing and Services PMI (3-Month Averages)

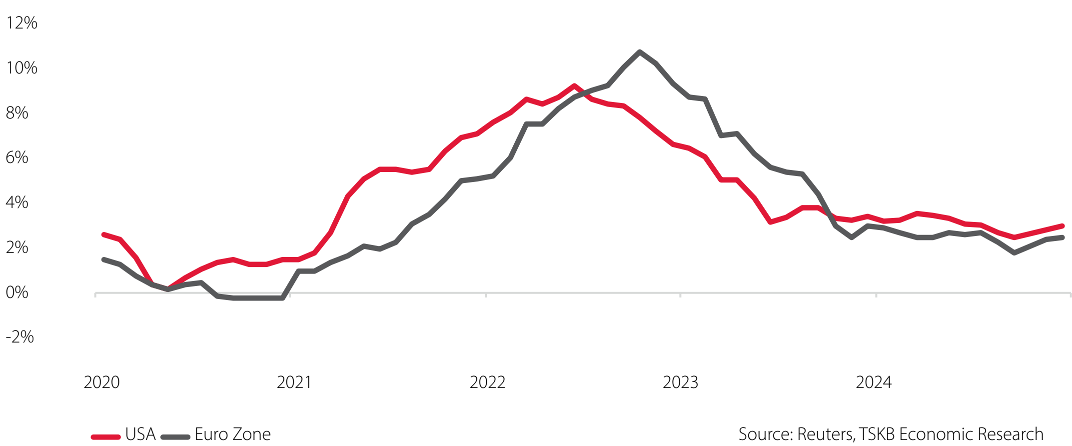


Source: Reuters, TSKB Economic Research

Declining interest rates
While inflation declined in many economies during the year, albeit at a slower pace, bond yields remained volatile despite central banks cutting rates. In December 2024, headline consumer inflation in the U.S. dropped to 2.9% from 3.3% at the end of 2023. Annual inflation in the Eurozone dropped from 2.9% at the end of 2023 to 2.4% as of December 2024. Core inflation in the U.S., which was 3.9% at the end of 2023, fell to 3.2% in December from 3.9% at the end of 2023, while a similar improvement was seen in the Eurozone, from 3.4% to 2.7%.

While the U.S. Federal Reserve (FED) started cutting interest rates in September 2024, it cut the monetary policy rate by a total of 100 basis points by the end of 2024, bringing it to 4.25%-4.50%. ECB also cut its deposit interest rate by 100 basis points to 3% in 2024.

Inflation in USA and Euro Zone



Source: Reuters, TSKB Economic Research

U.S. and German 10-year bond yields fluctuated in 2024 after closing 2023 at 3.86% and 2.03%, respectively. Central bank rate cuts, data flows, and geopolitical developments all contributed to the volatility in bond yields. Bond yields in advanced economies have generally increased recently due to political developments and heightened policy uncertainties. The U.S. 10-year bond yield closed 2024 at 4.58%, while the German 10-year bond yield closed 2024 at 2.36%.

Downside risks to growth forecasts
Global growth, estimated at 3.2% in 2024, is expected to rise to 3.3% in 2025 and 2026, according to the International Monetary Fund (IMF). Global consumer inflation, 5.7% in 2024, is projected at 4.2% in 2025, noting that developed economies will reach inflation projections faster than emerging economies.

Among the downside risks to the outlook are rising political uncertainties, the possibility of policy-related disruptions to the disinflation process, a longer-than-expected recession in China's real estate sector, and rising protectionist tendencies in global trade.

DEVELOPMENTS IN THE TURKISH ECONOMY IN 2024

Balancing the growth composition
The slowdown in the Turkish economy, which began in the second quarter of 2024, continued in the third quarter. While private sector consumption made a smaller contribution to gross domestic product (GDP) on the expenditure side, net external demand made a positive contribution for the third consecutive quarter. As a result, the composition of growth was well balanced between domestic and foreign demand.

In the first quarter, gross domestic product (GDP) grew by 1.2% quarter-on-quarter, after adjustment for seasonal and calendar effects, while it contracted by 0.2% in the second and third quarters. Annual growth in calendar-adjusted GDP was 5.3% in the first quarter, 2.4% in the second quarter, and 2.1% in the third quarter. Private sector consumption expenditures made the highest contribution to growth throughout the year. While net external demand supported growth, inventory changes limited growth. Thus, the GDP grew by 3.2% in the first three quarters of 2024 compared to the same period of 2023. At the end of 2023, annualized GDP was USD 1 trillion 130 billion, rising to USD 1 trillion 260 billion in the third quarter of 2024.

External Factors

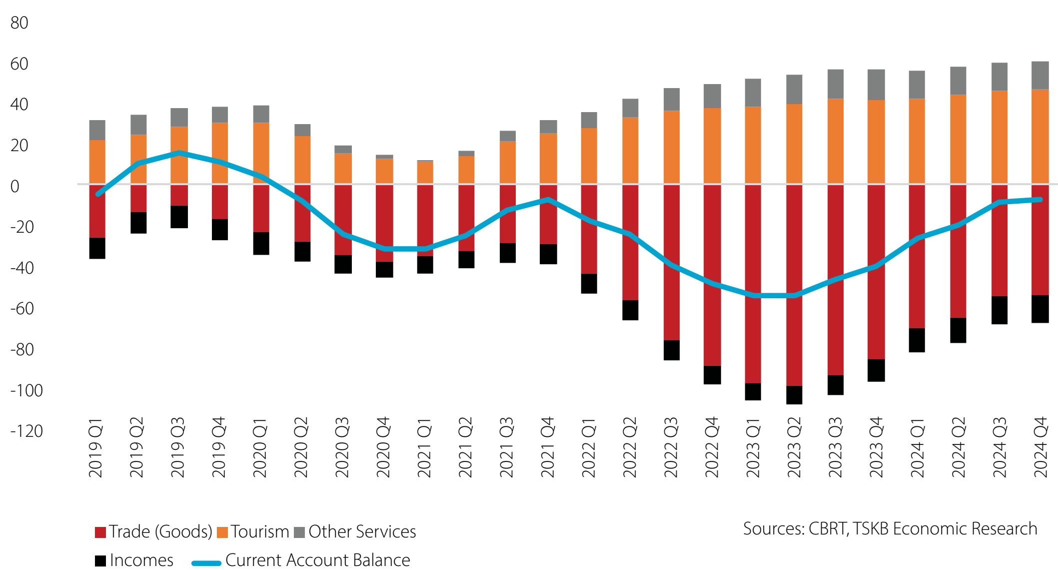
Revenues and expenditures grew at similar rates in the budget.
In the first half, spending and total revenues rose rapidly, driven by increased taxes. Both revenues and spending slowed down in the second half of the year. Rapid rising interest expenses due to high borrowing costs became noticeable. In 2024, revenues increased by 66.5%, while expenses rose by 63.6%. Interest expense outpaced total expenses, rising 88.3%. As a result, the budget deficit increased from TL 1 trillion and 380 billion in 2023 to TL 2 trillion and 106 billion in 2024. The primary balance, which posted a deficit of TL 706 billion in the previous year, reached a deficit of TL 836 billion in 2024. Thus, according to the calculation based on the figures of the Medium-Term Program (MTP), the budget deficit to GDP ratio was 4.8% in 2024, and the development of domestic demand may be important for the budget performance in 2025.

Improvement in current account balance
The foreign trade deficit narrowed in 2024 on the back of the recovery in exports and the decline in imports supported by energy prices. The overall current account deficit narrowed to USD 5.6 billion in the January- November period. This is an improvement of USD 33.1 billion compared to the same period last year, thanks to improved tourism revenues. The surplus in the core current account widened to USD 50.0 billion from USD 33.5 billion. Foreign exchange reserves increased during this period as capital inflows turned positive, supported by increased external borrowing. Although FDI inflows remained at USD 3.8 billion in January-November 2024, portfolio investment inflows reached USD 12.4 billion. Official reserves increased despite outflows from net errors and omissions, where companies increased their long-term external debt. In the coming period, the extent of the slowdown in domestic demand will play an important role in the current account. The rate of reserve accumulation will be a function of capital flows and global developments.

Inflation rose in early 2024 but fell rapidly in late 2024
The annual general CPI inflation rose from 64.8% at year-end 2023 to 75.4% in May. Annual inflation started to decline after May on the back of the lagged effects of the tight monetary policy and ended the year at 44.4%. The annual inflation rate of the Domestic Producer Price Index (D-PPI) also rose to 57.7 percent in May, up from 44.2 percent at the end of 2023. Later, it declined and reached 28.5% in December. Disinflation is projected to continue in 2025, albeit at a slower pace, while the tightness in expectations and the magnitude of the domestic demand slowdown increase upside risks to inflation.

Tight monetary policy and simplification of macroprudential regulations at the Central Bank of Türkiye
CBRT increased the policy rate from 42.5% to 45.0% in January 2024, and it tightened further in March and increased the policy rate to 50%. CBRT kept the policy rate unchanged at this level until December. CBRT also took steps to simplify the macroprudential framework. Accordingly, the regulation on the establishment of securities was repealed. With the support of regulations

Composition of Current Account Balance (12-M. Cumulative, $ Billion)

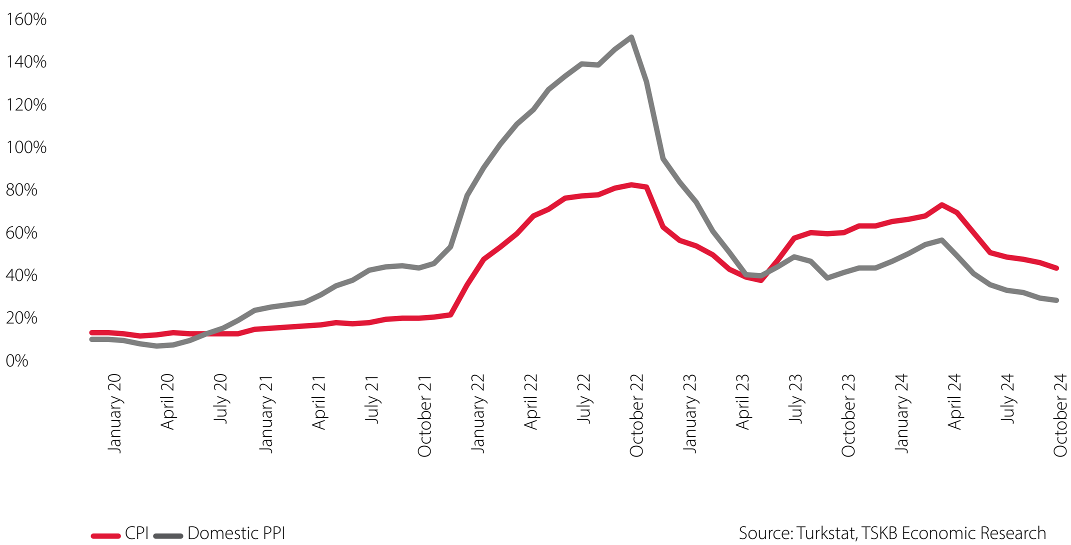


Sources: CBRT, TSKB Economic Research

encouraging a return to TL deposits, the gradual exit from FX-protected deposits (FXPD) continued. On the other hand, the CBRT strengthened the transmission mechanism by quantitative tightening by increasing the required reserves. It supported its tight stance by imposing limits on commercial loan growth.

CBRT cut the monetary policy rate by 250 basis points to 47.5% at its December meeting. Although the CBRT started with interest rate cuts, it maintained its cautious approach to upside inflation risks and emphasized its tight monetary policy stance in its statements.

Annual Inflation Rates



Source: Turkstat, TSKB Economic Research

A slight acceleration in growth is expected in 2025
The CBRT's and economic administration's determination to fight inflation is expected to continue in 2025. Accordingly, the CBRT's tight monetary policy stance is likely to be maintained until there has been a significant improvement in inflation, even though the interest rate cuts are under way.

In the first half of 2025, economic activity is expected to follow a path similar to that seen in 2024, accelerating slightly in the second half as interest rates fall. Thus, growth in 2025 is expected to be slightly above the 2024 level.

SECTORAL DEVELOPMENTS IN 2024

2024 was a critical year for banks. Net interest margin, credit limits and the increase in non-performing loans were the issues that most concerned banks.

Overall, rising policy rates and tightening monetary policy have put pressure on banks' net interest margins this year. The policy rate (weekly repo rate) was raised 500 bps to 50% and held for 9 months.

The mismatch between the maturity of deposits and loans had an unfavorable effect on net interest income generation for banks. Although there was a recovery in net interest margins after the second quarter, this recovery was less significant than what the banks indicated in their investor presentations.

Efforts to exit from currency-protected deposits continued unabated. As a result of the measures taken, according to BRSA data from 27 December, there was an outflow of USD 57.1 billion from currency-protected deposits in 2024, and their share of total deposits fell to 5.9%.

One of the issues that most affected the banking sector this year was the macroprudential measures taken by the CBRT. The growth limit imposed on loans denominated in foreign currency and TL and the decision on the reserves required in case of exceeding this limit had a restrictive effect on banks' loan growth.

External Factors

In terms of bank groups, private banks demonstrated significantly higher loan growth at 34.9%, surpassing public banks, driven by substantial growth in retail loans and credit cards. As of 27 December, total retail loans and retail credit cards were up 42.6% and 55.4%, respectively.

Due to the high cost of TL loans, the companies shifted to foreign currency loans, and in May, the CBRT imposed a 2% growth limit on foreign currency loans. Large amounts of foreign currency loans were disbursed, particularly by state-owned banks, following the decision to be implemented in June related to the allocation of required reserves. In July, the limit on the growth of FX loans was lowered to 1.5% and remained stable until the end of the year.

The sector's FX-adjusted FX loan growth, which was 18.5% in the first six months, slowed slightly to 33.1% following the decisions. Corporate loans denominated in foreign currencies increased by 34% compared to the previous year. TL-denominated loans increased by 27.9%, while total loans grew by 29.6% in FX-adjusted terms until 27 December 2024.

In terms of bank groups, private banks demonstrated significantly higher loan growth at 34.9%, surpassing public banks, driven by substantial growth in retail loans and credit cards. As of 27 December, total retail loans and retail credit cards were up 42.6% and 55.4%, respectively.

In 2024, there was an increase in non-performing loans in the sector

There has been a significant increase in non-performing loans this year due to rising inflation. This increase was largely attributed to retail loans and credit cards. This year, for the first time since 2020, the impact of the increase in non-performing loans was higher than the impact of the increase in performing loans. As a result, the NPL ratio rose to 1.78% as of 27 December 2024. Individual credit cards accounted for a 2.5-fold increase in non-performing loans, followed by consumer loans, which posted a 94% increase in non-performing loans. This increase was 1.5-fold in retail loans.

In 2024, banks had to focus more on non-performing loans. In the banking sector, approximately TL 29 billion of non-performing loans were sold to asset management companies. TL 13.5 billion of these sales were made in the first half of the year, while the rest were made after June. Despite the rise in non-performing loans due to the slowing economy, the non-performing loan ratio, which has remained steady and below historical averages in recent years, demonstrates the sector's resilience in terms of asset quality.

The banking sector's profit amounted to TL 659 billion as of December 2024. There was a 6.2% increase compared to the same period of the previous year. When calculated including trading profit/loss, the net interest margin since the beginning of the year was 3.7% for the sector as a whole and 4% for private banks. Accordingly, the banking sector's return on equity was 26.7% as of December 2024.

The banking sector continued to maintain its robust capital structure during the period. The capital adequacy ratio of the sector stabilized at 17.7% as of December 2024, taking into account the BRSA's regulatory changes.

Despite a recent indication of a policy easing through a 250 basis point reduction in the policy rate during the last monetary policy meeting of 2024, several measures, including the 4 December 2024 reduction of the foreign currency loan growth limit to 1%, the increase on 4 January 2025 of the 2% growth limit for TL commercial loans to 2.5% for SMEs and a reduction to 1.5% for other commercial loans, suggest a more controlled easing.

In 2025, the weight of SMEs in banks' loan portfolios is expected to increase. The continuation of the implementation of the return to TL strategy policies, aimed at increasing the TL weight on both the asset and liability sides of the banking system, indicates that banks will experience similar levels of profitability in 2025 as they did in 2024. Furthermore, it is anticipated that non-performing loans will continue to form in 2025, with a projected increase in the non-performing loan ratio compared to 2024. However, it is anticipated that returns from FX-protected deposits will persist, with savers showing continued preference for TL deposits. Consequently, TL deposits are projected to rise in their share of total deposits.

The Regulations and Legal Changes Made by the Authorities

CBRT continued to take steps to support macro financial stability and the monetary transmission mechanism in 2024. As part of an overall simplification of macroprudential policies, the practice of establishing securities that banks are required to hold at the CBRT was terminated. The practice of establishing reserve requirements based on credit growth was introduced to support tight monetary policy. Loans disbursed in the earthquake zone continued to be exempt from this practice.

Investment loans granted under funding from international development finance institutions were also exempted. During the year, various amendments were also made to the reserve requirements in accordance with the macroprudential framework.

Within the framework of the BRSA regulations, the high-risk weighting of commercial cash loans in the calculation of capital adequacy standard ratios has been terminated under the Regulation on Measurement and Assessment of Capital Adequacy.

Two new draft regulations for development and investment banks were issued in 2024. The Draft Regulation on the Procedures and Principles Regarding the Funds That Will Not Be Considered as Deposits in Development and Investment Banks describes the funds to be provided by clients, partnerships, and shareholders that cannot be considered as deposits. The Draft Communiqué on Credit Limits for Development and Investment Banks establishes regulations governing the credit limits that can be extended to individuals, entities, or risk groups, as well as the calculation, reporting, and exceeding of these limits.

No inflation accounting was introduced for banks in 2024. It was also decided that banks would not apply inflation accounting for 2025.

Draft guidelines on sustainability issued by the CMB in 2024 came to the fore. The Draft Guidelines on Sustainability-Linked Capital Market Instruments and the Draft Guidelines on Green, Sustainable, and Social Capital Market Instruments were developed in accordance with global standards. These guidelines aim to diversify sustainability-themed issuances.

The scope of the regulation on the requirements for the processing of sensitive personal data under the legislation on the protection of personal data has been redefined. In addition, the procedures and principles regarding the transfer of personal data abroad were regulated, and the associated contracts and rules were published by the Personal Data Protection Authority.

Regarding tax regulations, amendments have been made to the Corporate Tax Law, thereby introducing local and global minimum complementary corporate tax, as well as domestic minimum corporate tax.

Money Laundering, Combating the Financing of Terrorism, and Sanctions

Comprehensive regulations were made in the legislation in 2024 to prevent money laundering and the financing of terrorism. Additional criteria were introduced for the appointment of compliance officers. While the necessity for additional measures in establishing business relationships with identified high-risk groups was regulated, changes were made in the identification process for natural persons and authorized representatives of legal entities. The scope of notifications regarding those acting on behalf of others was entrusted to MASAK (Financial Crimes Investigation Board). The scope of simplified measures for transactions conducted between financial institutions was expanded.

External Factors

OTHER DEVELOPMENTS DURING THE PERIOD

Developments in Climate Policies
The World Meteorological Organization (WMO) has declared 2024 as the hottest year on record. Global average temperatures rose by about 1.55°C above pre-industrial levels, exceeding the Paris Agreement's critical threshold of 1.5°C for the first time in a calendar year.

While the climate crisis remained a top priority, the 29th Conference of the Parties (COP29) held in Baku, the capital of Azerbaijan, featured discussions on the effectiveness and future role of the COP processes. Key takeaways from the meeting included the recognition of the inadequacy of green transition financing for developing countries and the challenge of removing fossil fuels from energy systems. The transition to a low-carbon economy is expected to require an estimated USD 6-7 trillion in funding by 2030. However, the expected annual funding commitment of USD 1.3 trillion from developed countries was only USD 300 billion. Furthermore, the inability to reach a consensus on the phasing out of fossil fuels has led to concerns over the future of climate action.

The presidential elections in the United States have contributed to a climate of uncertainty for global climate policy. President Donald Trump's announcement that he will withdraw the United States from the Paris Agreement for the second time during his presidency has raised concerns about the potential for a leadership vacuum in international efforts. The withdrawal of the US, historically the world's largest emitter, has created a negative perception of cooperation in the global climate fight. However, other countries have demonstrated their resolve to remain committed to the agreement despite the US signal of withdrawal. Countries announcing their updated Nationally Determined Contributions (NDCs) confirmed their intention to meet the Paris Agreement targets. The European Union (EU) has been particularly proactive in strengthening its policies on combating climate change, signaling that these efforts will be sustained in the long term.

In 2024, the EU's Carbon Border Adjustment Mechanism (CBAM) reached an important milestone. As the first reporting period concluded on 31 January, importers were provided with three different reporting options: full reporting based on the new methodology, reporting based on an equivalent method, or reporting based on default reference values. As of 1 July, the third option was removed for products entering free circulation, and reporting of embedded emissions with real data collected from suppliers became mandatory. In addition to the recent CBAM developments, the Communication published in February 2024 under the European Climate Act announced the EU's target to reduce net greenhouse gas emissions by 90% by 2040 compared to 1990 levels. In March 2024, the EU published another communication outlining its strategies to address rising climate risks.

Significant progress has been made in sustainability and climate-focused reporting on a global scale. As of 30 September 2024, IFRS S1 and IFRS S2, issued by the International Sustainability Standards Board (ISSB), have been voluntarily or mandatorily adopted by six governments. In addition, 19 governments have expressed their intention to adopt these standards in the future. As one of the first countries to adopt the standards, Türkiye announced the scope of implementation under the ownership of the Public Oversight, Accounting and Auditing Standards Authority (POA). Enterprises regulated and supervised by the Capital Markets Board (CMB), Banking Regulation and Supervision Agency (BRSA), Insurance and Private Pension Regulation and Supervision Agency (SEDDK) and precious metals enterprises operating in Borsa Istanbul markets were included in the reporting scope. Among these businesses, those that exceed the thresholds of at least two of the following criteria in two consecutive reporting periods were required to report in accordance with TSRS, which include total assets of TL 500 million, annual net sales revenue of TL 1 billion, and 250 employees.

In 2024, Türkiye demonstrated notable advancements in climate-based policies and TSRS processes. The 2024-2030 Climate Change Mitigation Strategy and Action Plan, published in March 2024, included strategic objectives for the establishment of a national Emissions Trading System (ETS). The plan emphasized key steps, including defining the scope and functioning of the ETS, expanding the system by aligning with EU legislation, and setting emission caps by taking into account economic and social impacts. The Türkiye Climate Roadmap, unveiled at COP29, aims to increase the share of renewable resources in primary energy to 50% and the share of nuclear energy to 30%. Accordingly, approximately 80% of national energy consumption is projected to be decarbonized. The roadmap also includes specific targets, such as expanding technology in agricultural irrigation, implementing organic agriculture in at least 10% of agricultural areas, and increasing the waste recovery rate to 70%. On 28 September, the President announced that the Climate

According to the Climate Bonds Initiative (CBI), the total issuance volume of green, social, sustainability, and sustainability-linked (GSS+) bonds reached USD 5.4 trillion by the third quarter of 2024.

Law would be on the agenda in the new legislative year and that the green transformation process would accelerate. The Law was incorporated into the Medium Term Program for the 2025-2027 period, thus, the transformation process was given priority among national policies.

Sustainable Finance
The year 2024 was notable for its considerable advancements and innovations in sustainable finance markets. According to the Climate Bonds Initiative (CBI), the total issuance volume of green, social, sustainability, and sustainability-linked (GSS+) bonds reached USD 5.4 trillion by the third quarter of 2024. Since the beginning of 2024, the volume of GSS+ bonds issued has amounted to USD 818.2 billion, marking an 11% increase compared to the same period in 2023.

Green bonds continued to be the largest contributor to this growth, accounting for 62% of the total volume. Social bonds surpassed a significant threshold of USD 1.1 trillion in Q3 2024, representing 19% of the total. Meanwhile, sustainability bonds accounted for 18% of the total volume, reaching USD 956.5 billion, while sustainability-linked bonds accounted for only 1% of the cumulative volume, reaching USD 55.4 billion.

In alignment with the expanding interest in sustainable debt, the International Capital Market Association (ICMA) published two significant documents in June 2024 that provide guidance. The Green Enabling Projects Guidance provides guidance to projects that do not fall directly into the green category but require transformation, while the Sustainability Finance Bond Guidance defines loan and bond structures based on key performance indicators for sustainability goals and provides important guidance on transparency, reporting, and external evaluation processes.

The year 2024 witnessed important developments for Türkiye as well. Türkiye entered the sustainable finance market with its first USD 2.5 billion seven-year sovereign green bond, which was launched in April 2023. The allocation report released in September 2024 revealed that close to 80% of the bond proceeds were directed to clean transportation (56%), climate change adaptation (20%), and sustainable water and wastewater management (13%) projects. The remaining funds were allocated to various categories, including pollution prevention and control, renewable energy, and biodiversity. Electric locomotives, the installation of wind turbines in Alaçatı, and efforts to protect sensitive ecosystems in İzmit Bay were among the projects funded. These projects underscored the mounting significance of adaptation and resilience in national strategies, showcasing Türkiye's endeavors to embrace effective market practices. In addition to these developments, the Capital Markets Board (CMB) announced the drafting of "Draft Guidelines on Green, Sustainable and Social Capital Market Instruments" and "Draft Guidelines on Sustainability-Linked Capital Market Instruments".

In 2024, while the global and local sustainability agendas have seen significant progress, political changes in the US have led to a weakening of this momentum. In the final weeks of the year, leading U.S. financial institutions announced their withdrawal from the Net Zero Banking Alliance (NZBA), composed of a group of banks committed to aligning their lending and investments with zero greenhouse gas emissions by 2050.

External Factors

Gender Equality

Gender equality is a critical component of economic, social, and cultural development. In 2024, numerous countries introduced legislation aimed at achieving gender equality and took concrete steps to ensure fairer working conditions for women. Türkiye's Twelfth Development Plan, covering 2024-2028, demonstrated the importance attached to gender equality with goals and measures to empower women, prevent discrimination and ensure access to equal rights, opportunities, and means. To this end, various programs and projects have been implemented to increase women's participation in the workforce in both the private and public sectors.

However, despite these positive developments, the World Economic Forum's (WEF) Global Gender Inequality Report 2024 shows that at the current rate of progress, it could take 134 years to achieve full equality. The report indicates an increase of 0.1% in the overall gender inequality score, reaching 68.5% in 2024. Türkiye's position in the Gender Gap Index remained unchanged, ranking 127th out of 146 countries. The report also found that the global female labor force participation rate rose to 42 percent, above the International Labor Organization's average of 40.5 percent. However, the percentage of women in senior management positions fell 0.3 percentage points from the previous year to 31.7 percent.

Regulations on Sustainability and Transformation of Consumers

The year 2024 was a pivotal year in the evolution of sustainable procurement, marked by significant regulatory amendments and heightened consumer awareness. New regulations aim to provide consumers with more transparent information, prevent misleading practices such as greenwashing, and promote sustainable products. Consumers' growing environmental awareness has become the main driver of this transformation.

In particular, the EU's legislative measures to support sustainable consumption habits in 2024 have gained momentum, in line with the objectives of the Circular Economy Action Plan. The "Directive on Empowering Consumers in the Green Transformation (2024/825)", published on 28 February, expanded labeling requirements and introduced the requirement that environmental claims such as "eco-friendly", "climate neutral", "natural," or "eco" must be supported by scientific evidence. Furthermore, consumers were encouraged to choose long-lasting and sustainable products by highlighting product durability information.

Additionally, the "Directive on Common Rules for the Repair of Goods (2024/1799)" of 13 June 2024 introduced regulations with the aim of increasing the repairability of products and expanding the availability of affordable repairs. While it has become mandatory for electronic products to be repaired under warranty, the European Repair Information Form application has been launched so that consumers can access more information about repair processes.

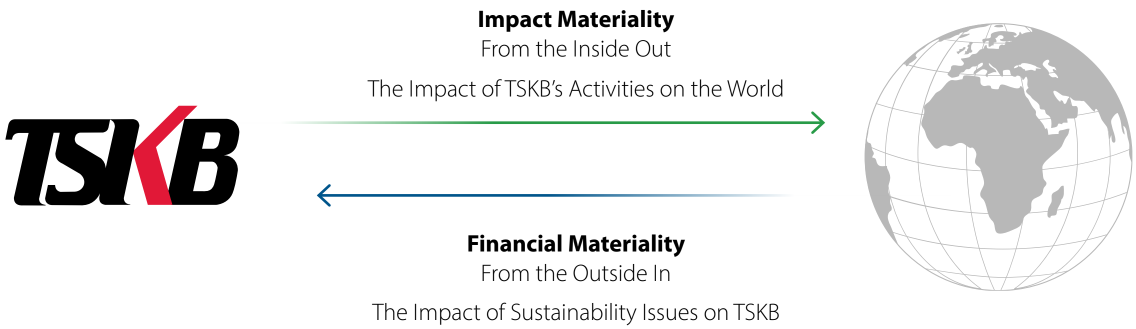
The "Regulation on Ecodesign for Sustainable Products (2024/1781)," published on 28 June 2024, expanded the scope of ecodesign standards to encompass all products, with the exception of food and medical products. By introducing a Digital Product Passport requirement for every product, the Regulation allows sustainability criteria such as carbon footprint and the proportion of recycled materials to be transparently communicated to consumers.

These regulations offered consumers access to more information and encouraged them to make sustainable choices. The Simon-Kucher Global Responsibility Study, which surveyed 6,120 consumers in six countries (the United States, Germany, the United Kingdom, Australia, the Netherlands, and India), found that these regulations are not only driven by awareness-raising efforts but also reflect consumers' growing demand for sustainable products. 71% of respondents indicated that environmental sustainability is more important than it was last year, and 64% of respondents identified sustainability as one of the top three most valuable aspects of their product category.

The EU's policies on circular economy and sustainable products signal a new era for businesses and consumers alike. These changes will not only yield environmental benefits but will also accelerate the development of green technologies, supporting a broader economic transformation. It is crucial for the public, financial and private sectors to act in cooperation for Türkiye to be part of this process.

Stakeholder Engagement and Double Materiality Analysis

During its biennial evaluation process, TSKB has taken its analysis approach a step further this year by considering the changing standards and international developments.



Importance of Stakeholder Engagement
TSKB bases its sustainability strategy and priorities on the expectations of its stakeholders, adopting an approach that considers the value chain. The Bank supports its long-term business model by integrating its perspective with the insights of its stakeholders. The strategic and priority topics are aligned with the views of the stakeholder groups that can provide effective feedback. Regular analyses are conducted, and the results are incorporated into reporting processes.

During its biennial evaluation process, TSKB has taken its analysis approach a step further this year by considering the changing standards and international developments.

Double Materiality Methodology
This year, TSKB advanced its analytical approach by incorporating evolving standards and global developments into its biannual evaluation process. In a two-step analysis, it first prioritized sustainability topics using a 360-degree perspective, considering both impact and financial aspects based on the European Financial Reporting Advisory Group (EFRAG) guidelines using a double materiality approach. In the workshop held during the second phase of the process, stakeholders discussed the priority topics in detail in terms of their impact, risk, and opportunity.

Double Materiality According to the EFRAG definition, "Double Materiality" is a framework that provides criteria for determining whether a sustainability issue should be included in a company's sustainability report. In this context, double materiality is defined as the combination of impact materiality and financial materiality.	
Impact Materiality A sustainability issue is defined as materially important in terms of impact if it generates significant positive or negative effects on people and the environment in the short, medium, or long term as a result of company activities.	**Financial Materiality** A sustainability issue is defined as financially material if it presents significant risks and opportunities that affect the company's future cash flows, operations, and short, medium, and long-term value.

In line with TSKB's corporate strategies, national and international examples from the banking and finance sector, global trends, and the World Economic Forum's (WEF) Global Risks Report, sustainability topics were reassessed at the outset. In addition, meetings were held with the Bank's Sustainability Management Committee and other strategically important department heads to obtain their views on the current priority targets and future strategies. As a result of the study, considering the destructive effects of increasing pollution and environmental degradation on biodiversity, "Protection of Nature and Biodiversity" was included in the scope, and TSKB sustainability topic universe consisting of 18 topics was formed.

In the study, designed by TSKB Sürdürülebilirlik Danışmanlığı A.Ş. - Escarus, four assessment questions were asked to analyze stakeholders' perception of the Bank and their views on sustainability priorities more comprehensively than in previous years. Through these questions, stakeholders were asked to assess;

- The level of impact of TSKB's activities on sustainability,
- The potential financial impact of sustainability on TSKB,
- The adequacy of TSKB's work on sustainability, and
- To what extent should sustainability be a priority for TSKB in the future?

Additionally, respondents were allowed to share their detailed opinions and additional insights by answering open-ended questions. Quantitative data was collected from a representative sample of TSKB's stakeholder universe through online surveys using links created specifically for internal and external stakeholders.
7 stakeholder groups were reached for the analysis, and the responses of 125 participants, including 87 internal stakeholders and 38 external stakeholders, were compiled.

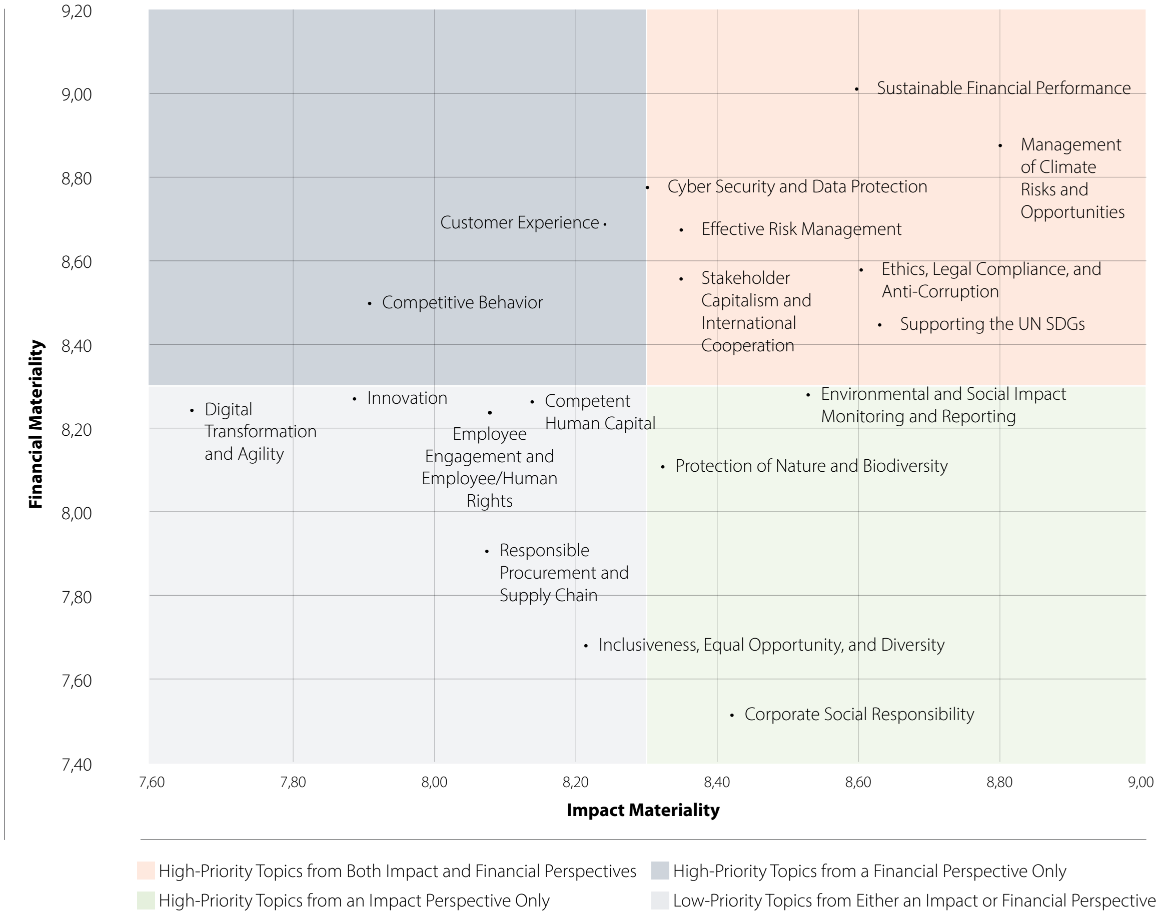
Stakeholder Groups

Internal Stakeholder Group	External Stakeholder Group
Board of Directors	Public Institutions
All Employees	Development Finance Institutions
	Financial Institutions
	Customers
	Affiliates and Subsidiaries
	Academic Stakeholders
	NGOs

Evaluation of Analysis Results

In response to the input received from stakeholders, TSKB developed the Double Materiality Matrix. This matrix utilizes a horizontal axis that represents impact materiality and a vertical axis that represents financial materiality. The development of the matrix was informed by data obtained through analysis. Of the 18 topics analyzed, seven were identified as topics with high priority in both impact and financial terms. 3 topics were assessed as high priority in terms of impact only and 2 topics were assessed as high priority in terms of financial materiality only. The remaining 6 topics were assessed as low priority. These results align with the approach adopted by TSKB, offering a strategic outlook that underscores the cornerstones of responsible and sustainable banking. Detailed explanations on the financial materiality, risk and opportunity assessment carried out in line with TSRS are given on page 111 of the report.

Double Materiality Results - Matrix Representation

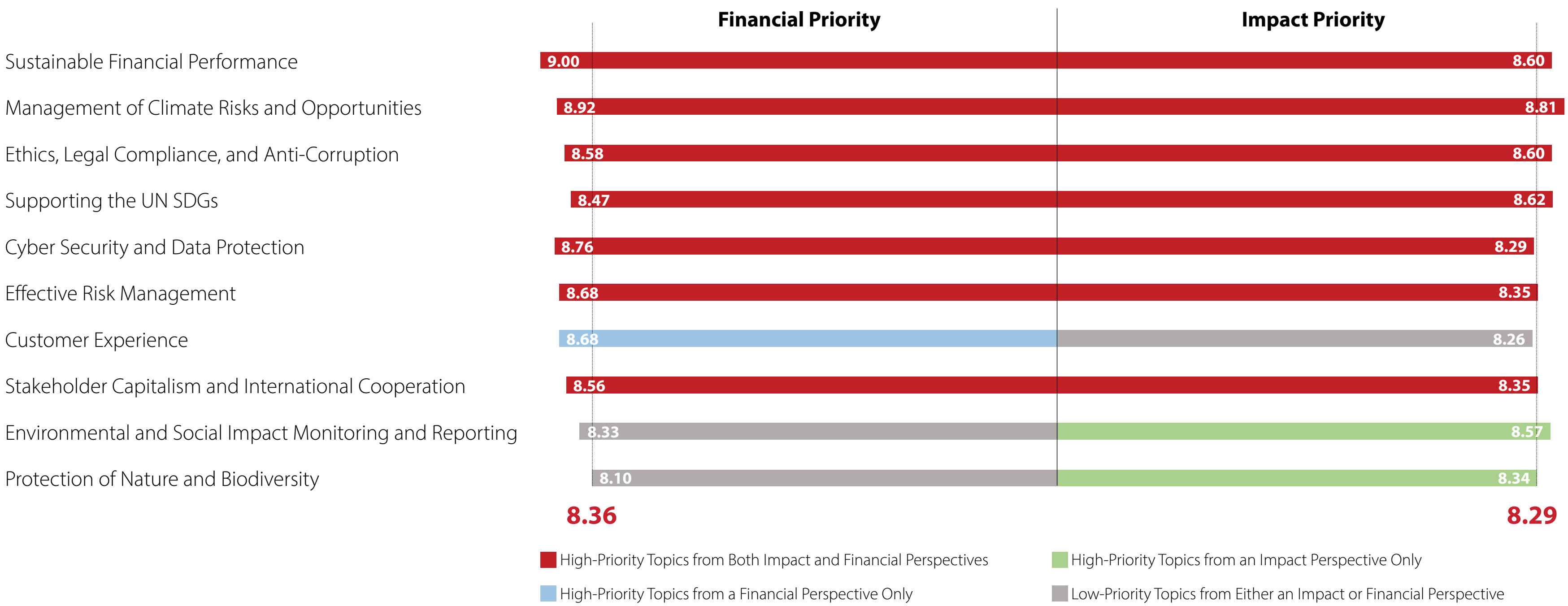


Stakeholder Engagement and Double Materiality Analysis

High-Priority Topics from an Impact Perspective	High-Priority Topics from a Financial Perspective
Environmental and Social Impact Monitoring and Reporting	Customer Experience
Corporate Social Responsibility	Competitive Behavior
Protection of Nature and Biodiversity	
High-Priority Topics from Both Impact and Financial Perspectives	**Low-Priority Topics from Both Impact and Financial Perspectives**
Management of Climate Risks and Opportunities	Inclusiveness, Equal Opportunity, and Diversity
Supporting the UN SDGs	Competent Human Capital
Ethics, Legal Compliance, and Anti-Corruption	Responsible Procurement and Supply Chain
Sustainable Financial Performance	Employee Engagement and Employee/Human Rights
Effective Risk Management	Innovation
Stakeholder Capitalism and International Cooperation	Digital Transformation and Agility
Cybersecurity and Data Privacy	

In addition to the double materiality approach, the dynamic materiality approach was also incorporated into the analysis. A weighting perspective was adopted to assess the ease of adaptation to changing internal and external circumstances and how issues should be prioritized in different situations over time.

The 10 topics with the highest priority for the Bank were identified by integrating the dynamic approach, senior management views, TSKB's strategy and sustainability goals into the ranking, based on the average of impact and financial priority. These topics are presented in an ordered format, with financial materiality on one side of the horizontal axis and impact materiality on the other. A comparison of the high-priority topics for 2023 and 2024 indicates a shift primarily attributable to the adoption of the double materiality approach.



The priority topics for 2023 were identified using the traditional materiality approach. In 2024, the scope of the analysis was expanded by assessing the financial impact of sustainability issues on TSKB. Different topics came to the fore in prioritization.

High-Priority Topics for 2023		High-Priority Topics for 2024*	
1	Ethics, Legal Compliance, and Anti-Corruption	1	Sustainable Financial Performance ↑
2	Cyber Security and Data Protection	2	Management of Climate Risks and Opportunities ↑
3	Sustainable Financial Performance	3	Ethics, Legal Compliance, and Anti-Corruption ↓
4	Competent Human Capital	4	Supporting the UN SDGs ↑
5	Employee Engagement and Employee/Human Rights	5	Cyber Security and Data Protection ↓
6	Digital Transformation and Agility	6	Effective Risk Management ↑
		7	Customer Experience ↑
		8	Stakeholder Capitalism and International Cooperation ↑
		9	Environmental and Social Impact Monitoring and Reporting ↑
		10	Protection of Nature and Biodiversity (NEW)

*Upward and downward arrows indicate the ranking compared to 2023 Environmental Social Governance

When comparing the high-priority issues of 2023 and 2024, it is evident that a change has occurred, and this result primarily stems from the dual materiality approach.

The priority topics for 2023 were identified using the traditional materiality approach. In 2024, the scope of the analysis was expanded by assessing the financial impact of sustainability issues on TSKB. Different topics came to the fore in prioritization. Another key factor in the decision to proceed with the change was the mounting recognition of the climate crisis, which led to heightened environmental concerns among stakeholders and placed significant emphasis on environmental issues. In 2024, shifts in both Turkish and global economic conditions also influenced the prioritization of topics.

High Priority Topics and Oversight Mechanisms
TSKB recognizes the importance of the identified high-priority topics and defines them in line with its business strategy, integrating them into its operations. The Bank regularly audits material topics and compliance as part of the senior management review process and the assessments of the Sustainability Committee through the Sustainability Management System. Audit mechanisms are managed as dynamic and evolving components. Internal control processes are managed effectively, and the strength and compliance of audit mechanisms are monitored.

Sustainable Financial Performance
Sustainable financial performance for TSKB refers to the ability to create sustainable and inclusive value for stakeholders by maintaining stability while achieving long-term financial targets. Financial performance is monitored in a multidimensional manner by various departments, particularly the Financial Control, Budget and Planning, Risk Management, Financial Institutions and Investor Relations departments, in line with long-term financial targets. Financial performance, which is closely monitored by the Senior Management, is discussed weekly at Executive Committee Meetings. Financial performance, which is continuously monitored through internal audits conducted by the Internal Audit Board and Internal Control units and through periodic reports to senior management and the Board of Directors, is subject to a quarterly external audit.

The priority topic is discussed in detail in the Financial Capital section.

Stakeholder Engagement and Double Materiality Analysis

Management of Climate Risks and Opportunities
The management of climate risks and opportunities is a key component of both TSKB's financial performance and its clients' transformation process. This material topic is managed by the Climate Change and Sustainability Management, Risk Management, and Engineering departments using the Climate Risk Evaluation Tool (CRET) developed in accordance with the Sustainability Policy and related complementary policies. Climate risks and opportunities, which are integrated into the loan assessment, allocation, and monitoring processes, are presented to the Credit Committee on a project-by-project basis and become an important element of the senior management's decision-making mechanism. Actual results and projections are shared with the Sustainable Management Committee, the Executive Committee, and the Board of Directors. The Sustainability Committee at the level of the Board of Directors is informed twice a year with the half-year and year-end results.

The priority topic is discussed in detail in the Natural Capital section.

Business Ethics, Legal Compliance, and the Anti-Corruption
Business ethics, legal compliance, and anti-corruption are among the core components of TSKB's approach to corporate governance. The Corporate Compliance and Legal Affairs departments manage compliance with all legal regulations. To this end, the Audit Committee and Internal Control department carry out continuous audits. Issues raised through the grievance mechanism are evaluated by the senior management, and employees are provided with regular training in accordance with relevant policies, procedures, and practices.

The priority topic is discussed in detail in the Corporate Governance and Risk Management section.

Supporting UN SDGs
TSKB's mission is to support Türkiye's sustainable and inclusive development, and it considers the UN SDGs as a key reference for monitoring and reporting its impact. The SDG Mapping Model developed in 2020 is used to link the impact generated through loans to the SDGs and to set long-term financing targets. Climate Change and Sustainability Management department monitors the support provided to the SDGs through this model. The Bank's performance in meeting these targets is regularly reported to senior management monthly. Annual performance is audited externally. Comparative results are shared with the stakeholders in the Integrated Annual Report.

The priority topic is discussed in detail in the Financial Capital, Natural Capital and Social Capital sections.

Cybersecurity and Data Privacy
TSKB considers maintaining the confidentiality of corporate and personal financial data to be a fundamental responsibility. In this regard, TSKB develops data privacy regulations and high-level cybersecurity practices. Cybersecurity and data privacy are managed by the Information Security and Quality Department and audited by the TSKB's Audit Committee and Internal Control. Since 2021, TSKB's information security management system has undergone audits by an expert organization in accordance with ISO 27001 criteria.

The priority topic is discussed in detail in the Intellectual and Manufactured Capital section.

Effective Risk Management
TSKB proactively identifies, assesses, and controls financial, operational, legal, and strategic risks arising from its operations. The Risk Management Department is responsible for the management of the risks and periodically reports to the Audit Committee and Risk Committee at the Board of Directors level. Additionally, risk management is periodically audited by the competent supervisory and regulatory authorities.

The priority topic is discussed in detail in the Corporate Governance and Risk Management section.

Customer Experience
TSKB's vision is to serve as the preferred partner for stakeholders in Türkiye's economic, environmental, and social development, and it attaches importance to client satisfaction and loyalty. The Bank maintains ongoing communication with its clients, periodically conducts stakeholder and satisfaction surveys, and reviews clients' expectations through a complaint and suggestion mechanism.

The priority topic is discussed in detail in the Social Capital section.

Stakeholder Capitalism and International Cooperation
TSKB builds long-term cooperation with its stakeholders. The Bank develops its value creation model based on the expectations of its stakeholders, its know-how and best practices. TSKB aims to improve its economic, environmental, and social impact by promoting the exchange of information on national and international platforms and emphasizes the presence of

representatives from different departments on relevant topics. The Corporate Communications department manages compliance with and follow-up of the business plan regarding this material topic. Collaborations are determined by senior management in accordance with the Bank's strategy, targets, and focus areas.

The priority topic is discussed in detail in the Social Capital section.

Environmental and Social Impact Monitoring and Reporting

The ERET model developed by the Bank forms the basis for monitoring and reporting on impact, which is considered by stakeholders to be one of TSKB's strongest points. ERET outputs are a crucial component of the credit assessment process, evaluating the investment's and/or client's capacity to manage risks throughout the loan lifecycle. This evaluation incorporates the action plans and development areas identified. The outputs of the model, employed by the engineering teams, are presented to the Credit Committee and become an important element of the senior management's decision-making mechanism. The annual results of the environmental and social impact monitoring are made available to stakeholders on TSKB's website and in the Integrated Annual Reports.

The priority topic is discussed in detail in the Natural Capital section.

Protection of Nature and Biodiversity

The protection of nature and biodiversity, which is one of TSKB's priorities for 2024, is one of the topics on which the Bank has started to build capacity and aims to develop a strategy. It has been possible to conduct a baseline analysis in line with the updated CDP reporting standards, and this topic will be addressed by the Climate Change and Sustainability Management department. Opportunities for participation and cooperation in new international platforms will be evaluated in the coming period.

The priority topic is discussed in detail in the Natural Capital section.

Double Materiality Workshop - Impact, Risk, and Opportunity Analysis

In the second phase of the double materiality methodology, the expertise of multiple stakeholders was used to analyze the data collected through the online survey. After presenting the priority topics identified through the survey and exchanging ideas, the group clarified how the topics should be addressed.

The workshop focused on the topics of "Impact Materiality" and "Financial Materiality," examining why the issues with high priority in terms of both impact and financial materiality were considered material based on the survey results. Additionally, it addressed the identification of the positive/negative impacts, risks, and opportunities related to these topics. Furthermore, the scale, scope, and remediability of the impact, along with its implications for business continuity, access to resources, and communication methods, were evaluated using the EFRAG methodology.

The Impact, Risk, and Opportunity Analysis table, drafted in 2023, was expanded with stakeholder input from the Double Materiality Workshop, and differences were assessed.

The Bank has engaged in discussions with the Sustainability Management Committee concerning the risks and opportunities that may arise under the Turkish Sustainability Reporting Standards and their potential impact on the financial position, financial performance, and cash flows. TSKB places sustainability at the center of its value creation model since its foundation, and it has included its subsidiaries in the evaluation;

- Escarus, who has been serving in Sustainability Advisory for 15 years,
- TSKB Gayrimenkul Değerleme, which has expanded its service area with consultancy services in national green building investments,
- TSKB Gayrimenkul Yatırım Ortaklığı, which focuses on capacity development by increasing its awareness in line with Sustainability and Corporate Governance Principles, and
- Yatırım Finansman, which established its Sustainability Unit in 2021 and Sustainability Committee in 2023, strives to integrate sustainability into its business model.

Management of Climate Risks and Opportunities, which also ranks high when evaluated only in terms of financial materiality, is discussed in the Natural Capital section in accordance with TSRS 2. Climate-related risks and opportunities are detailed in this section, and the Bank's resilience is tested through scenario analysis of material risks and opportunities. Risks and opportunities identified under other material topics were assessed to have low materiality in the current period, and scenario analysis studies were not conducted for these topics.

Stakeholder Engagement and Double Materiality Analysis

	Impact Materiality (From the Bank to the External Environment) The positive and negative impacts TSKB will create in the context of ESG		Financial Materiality (From the External Environment to the Bank) The risks and opportunities impacting TSKB's financial performance.	
Priority Topic	**Positive Impacts**	**Negative Impacts**	**Risks**	**Opportunities**
Sustainable Finance Performance	**Environmental Impact** • Accelerating green transformation through the loans provided • Reducing carbon emissions **Financial Impact** • Increasing long-term profitability through the ability to finance various areas of sustainability	• No negative impact has been identified.	**Social Risk** • Ignoring corporate social responsibility activities due to the inability to sustain profitability **Governance Risk** • Failure to maintain the organization's goals and vision **Financial Risk** Decrease in market share	**Social Opportunity** • Expanding the area of impact • Increasing CSR activities • **Governance Opportunity** • Increased bargaining power • Stronger alignment with goals and vision **Financial Opportunity** • Maximizing profit
In the Natural Capital section, it is examined in detail according to the TSRS 2 regulations. **Management of Climate Risks and Opportunities**	**Governance Impact** • Accelerating green transformation due to pressures from regulatory authorities **Financial Impact** • Leveraging TSKB's strong capacity in renewable energy financing • Expanding TSKB's loan portfolio	**Social Impact** • Failure to fulfill commitments made to stakeholders **Governance Impact** • Loss of reputation due to the inability to track financing **Financial Impact** • Loss of reputation in cases such as the publication of a negative EIA report, etc., and the adverse effect on international financing sources due to this situation	**Environmental Risk** • Risk of "greenwashing" **Social Risk** • Inability to contribute to the development bank's mission **Governance Risk** • Deviating from global targets • Loss of reputation and legal penalties due to improper management of climate risks **Financial Risk** • Damage to the existing portfolio due to physical risks such as water stress • Additional financial burden on portfolio clients resulting from legal obligations such as CBAM • Impact of climate risks on investment projects and failure to achieve expected returns	**Social Opportunity** • Increasing global partnerships and strengthening TSKB's talent management **Governance Opportunity** • Creating opportunities by complying with legal regulations such as CBAM **Financial Opportunity** • Financing adaptation projects and gaining access to financing opportunities in this area • Increased investor interest and easier access to international sources, alternative funds, and thematic funds • Supporting TSKB's financial performance through high customer acquisition

	Impact Materiality (From the Bank to the External Environment) The positive and negative impacts TSKB will create in the context of ESG		Financial Materiality (From the External Environment to the Bank) The risks and opportunities impacting TSKB's financial performance.	
Priority Topic	**Positive Impacts**	**Negative Impacts**	**Risks**	**Opportunities**
Business Ethics, Legal Compliance, and the Anti-Corruption	**Social Impact** • Raising awareness through training on social issues • Preventing ethical mismatches in highly competitive sectors **Governance Impact** • Aligning customers on the same level as a result of properly managing due diligence processes • Promoting corporate governance in supported companies (e.g., establishing committees, increasing the effectiveness of policies, etc.)	**Governance Impact** • Loss of reputation due to the failure to meet the targets in the KPIs requested for monitoring by TSKB **Financial Impact** • Loss of reputation and difficulties in accessing finance due to the ineffective management of the priority topic	**Social Risk** • Decline in employee performance and loss of employees **Governance Risk** • Facing sanctions such as license revocation, audits, or financial penalties • Loss of reputation • Decline in competition **Financial Risk** • Financial losses due to operational disruptions	**Social Opportunity** • TSKB becoming a preferred employer • Increased customer satisfaction **Governance Opportunity** • Enhanced reputation of TSKB • Strengthened competitive advantage of TSKB • Preservation of corporate memory **Financial Opportunity** • Ensuring the sustainability of capital
Supporting UN SDGs	**Environmental Impact** • Reduction in greenhouse gas emissions **Social Impact** • Supporting social development • Creating motivating and mobilizing impact on TSKB customers to encourage alignment with the SDGs **Governance Impact** • Ensuring the traceability and measurability of the impacts created • Taking on a standard-setting and guiding role within the sector **Financial Impact** • Providing cost-effective resources for private sector financing	**Social Impact** • Negative impact on sectors outside of sustainability-focused industries while prioritizing those sectors **Governance Impact** • Providing incomplete information to stakeholders and customers regarding the SDGs **Financial Impact** • Moving away from inclusivity and excluding businesses that do not support the SDGs from financing	**Social Risk** • Encountering human resource risk due to neglecting women's employment **Governance Risk** • Falling behind in competition • Losing reputation due to greenwashing in cases of incorrect practices **Financial Risk** • Difficulty in accessing sustainable funds • Effort required to find businesses that meet challenging funding criteria, with limitations in the number of businesses that can be reached	**Social Opportunity** • Encouraging firms to undertake projects contributing to the SDGs with financial support **Financial Opportunity** • Facilitating access to sustainable funds • Increasing access to SDG-themed financing • Developing sustainable financial instruments

Stakeholder Engagement and Double Materiality Analysis

	Impact Materiality (From the Bank to the External Environment) The positive and negative impacts TSKB will create in the context of ESG		Financial Materiality (From the External Environment to the Bank) The risks and opportunities impacting TSKB's financial performance.	
Priority Topic	**Positive Impacts**	**Negative Impacts**	**Risks**	**Opportunities**
Cybersecurity and Data Privacy	**Social Impact** • The implementation of top-level data security measures and their continuous monitoring and updating, reinforcing stakeholders' trust in TSKB regarding information security **Governance Impact** • Ensuring data privacy through strong cybersecurity and data protection regulations • Demonstrating commitment to protecting TSKB and its customers' assets from cyber threats by continuously applying advanced security solutions • Ensuring compliance with legal obligations regarding cybersecurity and data privacy	**Social Impact** • Damage to customer trust and TSKB's reliability in data protection in the event of a cybersecurity attack, leading to significant reputation loss	**Governance Risk** • Reputation risk **Financial Risk** • Losses to both the customer and the bank • Facing legal penalties • Inability to access funds	**Social Opportunity** • Increased customer satisfaction **Governance Opportunity** • Preservation of expertise • Improvement of control mechanisms • **Financial Opportunity** • Increased reliability in accessing international funds
Effective Risk Management	**Environmental Impact** • Reducing environmental and social risks through the promotion of green loans **Governance Impact** • Minimizing potential damage through effective management of environmental and social risks **Financial Impact** • Increasing access to financing sources through effective risk management	**Governance Impact** • Inability to achieve effective risk management due to collaboration with consultants lacking technical capacity **Financial Impact** • Inability to access funding sources if environmental and social risks are not effectively managed	**Governance Risk** • Inability to ensure business continuity **Financial Risk** • Failure to manage financial and non-financial risks effectively by customers, leading to inability or delays in loan repayments • Damage to data, facilities, and other company assets in cases of natural disasters, resulting in inability or delays in loan repayments	**Governance Opportunity** • Strengthening the foundations of risk management practices through the effective operation of committees

	Impact Materiality (From the Bank to the External Environment) The positive and negative impacts TSKB will create in the context of ESG		Financial Materiality (From the External Environment to the Bank) The risks and opportunities impacting TSKB's financial performance.	
Priority Topic	**Positive Impacts**	**Negative Impacts**	**Risks**	**Opportunities**
Customer Experience	**Environmental Impact** • Indirect positive impact on customers through support for environmentally beneficial projects **Social Impact** • Low risk of customer attrition • Reinforcement of financial success through customer satisfaction	**Environmental Impact** • Indirect negative impact on customers through the support of environmentally harmful projects	**Governance Risk** • Misunderstandings or inadequate information transfer due to oversimplification of the customer information-sharing process	**Social Opportunity** • Increasing positive customer experiences through activities with stakeholders **Governance Opportunity** • Strengthening the intellectual capital of companies **Financial Opportunity** • TSKB and its subsidiary Escarus gaining sectoral advantages
Stakeholder Capitalism and International Cooperation	**Social Impact** • Expanding the area of impact • Strengthening TSKB's reputation through social benefits provided to society **Governance Impact** • Creating a collaborative environment with companies working in the same field through the loans provided	• No negative impact has been identified.	**Governance Risk** • Lack of expertise and deviation from global best practices • Weakening of TSKB's role and competitive power on a global scale • Inability to meet established standards in international collaborations **Financial Risk** • Difficulty in accessing resources and increased costs	**Social Opportunity** • Expanding collaborations with international organizations • Leading social responsibility projects through stakeholder capitalism **Governance Opportunity** • Increased global recognition of TSKB and strengthening of its reputation **Financial Opportunity** • Access to low-cost international financing sources • Developing innovative financial products through global expertise (know-how) sharing in sustainability

Stakeholder Engagement and Double Materiality Analysis

	Impact Materiality (From the Bank to the External Environment) **The positive and negative impacts TSKB will create in the context of ESG**		**Financial Materiality (From the External Environment to the Bank)** **The risks and opportunities impacting TSKB's financial performance.**	
Priority Topic	**Positive Impacts**	**Negative Impacts**	**Risks**	**Opportunities**
Environmental and Social Impact Monitoring and Reporting	**Environmental Impact** • Prevention of greenwashing **Social Impact** • Supporting TSKB's leadership role **Governance Impact** • Increased reputation of TSKB among stakeholders through transparency • Strengthening of the mission as a standard setter **Financial Impact** • Proper allocation of financing to the right stakeholders	**Environmental Impact** • Leading to misallocation of resources Causing negative impact on natural resources **Social Impact** • Misleading customer and employee preferences due to incorrect reporting **Governance Impact** • Inability to manage risks effectively due to incorrect measurement of risks • Being unprepared for potential legal regulations **Financial Impact** • Reputational loss and facing financial risks due to incorrect reporting	**Environmental Risk** • Facing transition risks during the process of shifting the portfolio to a more environmentally and socially responsible structure **Governance Risk** • Facing financial penalties and reputational damage due to non-compliance with environmental and social regulations **Financial Risk** • Loss in financial returns due to limitations on investments in certain sectors	**Social Opportunity** • Collaboration with businesses and organizations that have strong environmental and social commitments, creating new workflows **Governance Opportunity** • Utilizing advanced analytical approaches and technologies to more effectively monitor and report environmental and social impacts **Financial Opportunity** • Developing new green financial products and advisory services that cater to the growing market for sustainable investments

	Impact Materiality (From the Bank to the External Environment) The positive and negative impacts TSKB will create in the context of ESG		Financial Materiality (From the External Environment to the Bank) The risks and opportunities impacting TSKB's financial performance.	
Priority Topic	**Positive Impacts**	**Negative Impacts**	**Risks**	**Opportunities**
Protection of Nature and Biodiversity	**Environmental Impact** • Reduction of negative impacts on the ecosystem and human health **Social Impact** • Raising awareness through educational efforts **Governance Impact** • Playing a beneficial role in filling governance gaps related to the issue by regulatory authorities • Encouraging the real sector and ensuring quick actions are taken	**Environmental Impact** • Acceleration of the effects of global warming **Social Impact** • Indirectly causing issues in food supply security due to damage to nature and biodiversity • Causing job losses in agriculture **Financial Impact** • Moving away from global targets due to high costs	**Environmental Risk** • Projects financed becoming non-compliant with environmental regulations due to the failure to protect nature and biodiversity **Governance Risk** • Loss of the Bank's reputation due to financing projects that harm the environment **Financial Risk** • Issues with loan repayments in unsustainable projects • Cost increases in projects to comply with environmental standards	**Governance Opportunity** • Strengthening TSKB's competitive advantage through environmentally-friendly projects • Entering new growth areas for TSKB by investing in green and sustainable projects **Financial Opportunity** • Increased interest from ESG-focused investors in TSKB through environment-oriented investments • Cost advantages gained by financed projects due to the efficient use of natural resources

Stakeholder Engagement and Double Materiality Analysis

Stakeholder Engagement
In accordance with its strategic direction, which is aligned with national policies and its unique business model, TSKB engages in active collaborations with relevant public institutions and organizations. It provides support for the work conducted by the relevant ministries in several areas, including but not limited to climate change, impact investments, sustainable capital market instruments, circular economy, and reporting standards. Brief information on the Bank's communication with other stakeholder groups is presented in the table. TSKB's efforts to respond to the expectations and suggestions of its stakeholders throughout the year are discussed in the sections on relevant capital elements.

Stakeholder Group	Communication Methods (Frequency)	Expectations and Recommendations	Related Capital
Development Finance Institutions	Project Development Meetings (Throughout the year, ongoing) Information and Evaluation Meetings (Throughout the year, as needed) Information Reporting (As needed) Stakeholder Engagement Meetings (Every two years) TSKB Development Day (Every year in June)	Expansion of the Calculating of Financed Emissions	Financial Capital Natural Capital
Financial Institutions	Project Development Meetings (Throughout the year, ongoing) Information and Evaluation Meetings (Throughout the year, ongoing) Webinars and Online Meetings (Throughout the year, ongoing) Stakeholder Engagement Meetings (Every two years) TSKB Development Day (Every year in June)	Development of Sustainability-linked Innovative Products	Financial Capital Natural Capital Social Capital
Customers	NPS Survey (At the end of the project) Stakeholder Engagement Meetings (Every two years) Social Media (Ongoing) TSKB Development Day (Every year in June)	Development of Social Financial Products	Financial Capital Social Capital
Affiliates and Subsidiaries	Information and Evaluation Meetings (Throughout the year, as needed) Stakeholder Engagement Meetings (Every two years) TSKB Development Day (Every year in June)	Leveraging TSKB's experience and expertise in defining the sustainability strategy and roadmap	Financial Capital Natural Capital Intellectual and Manufactured Capital

Stakeholder Group	Communication Methods (Frequency)	Expectations and Recommendations	Related Capital
Investors	General Assembly Meeting (Every March) Project Development Meetings (Throughout the year, ongoing) Investor Meetings (Ongoing) Investor Relations Department Email & Phone (As needed) Social Media (Ongoing)	Integration of nature-positive financing options into the value creation model	Financial Capital Natural Capital
Suppliers and Subcontractors	Communication Form (As needed) Complaints Mechanism (As needed) Sustainability Performance Evaluation Survey (Annually)	Raising awareness and providing information on environmental and social risk management	Financial Capital Social Capital
Academic Stakeholders and NGOs	Initiative and Working Group Representatives (Monthly) Social Media (Ongoing) TSKB Development Day (Every year in June)	Increasing partnerships and capacity building	Financial Capital Natural Capital Social Capital Human Capital Intellectual and Manufactured Capital
Board of Directors and Senior Management	Board of Directors Meetings (Monthly) Sustainability Committee Meetings (At least twice a year) Executive Committee Meetings (Monthly) Asset-Liability Committee Meetings (Weekly) Credit Committee Meetings (Monthly)	Incorporating the sustainability aspect into general credit conditions	Financial Capital Natural Capital Social Capital
Employees	Open-Door HR Practice (Continuous, as needed) Employee Engagement Survey (Annually) Performance Evaluation Meetings (At least twice a year) Internal Communication Bulletins (Monthly) We Value You! Practices (Continuous)	Continuing digital transformation efforts to enhance efficiency	Financial Capital Social Capital Intellectual and Manufactured Capital

Governance Model

The highest governance body of TSKB is the Board of Directors. The Board of Directors consists of 11 members, three of whom are independent members, elected by the Bank's General Assembly for a term of up to 3 years, in accordance with the provisions specified in the Articles of Association.

Corporate Governance
The highest governance body of TSKB is the Board of Directors. The Board of Directors consists of 11 members, three of whom are independent members, elected by the Bank's General Assembly for a term of up to 3 years, in accordance with the provisions specified in the Articles of Association.

According to the updated Board of Directors Diversity Policy in 2023, the target was set for the number of female members on the TSKB Board of Directors to reach 27% within three years, with a minimum of three female members. By the end of 2024, this target has been exceeded, and the number of female members on the TSKB Board of Directors is four, representing 36%.

TSKB Board of Directors consists of professionals recognized for their expertise, experience, and reputation, with members experienced in economics, banking, finance, sustainable development, development finance, corporate sustainability, energy, and industry. The roles of the Chairperson of the Board and the CEO are held by different individuals, and the CEO is also a member of the Board of Directors. TSKB considers an effective corporate governance structure and legal compliance management as a fundamental cornerstone in the execution of its banking activities. All operations are conducted in accordance with the transparency, accountability, and risk management approaches required by corporate governance.

The foundation of the corporate governance approach is based not only on internationally recognized banking practices but also on the Corporate Governance Principles published by the Capital Markets Board (CMB). TSKB complies with all mandatory Corporate Governance Principles and works towards enhancing its adherence to the voluntary principles.

In order to enhance the effectiveness of the Board of Directors' oversight activities, the following committees have been established:

- Corporate Governance Committee
- Audit Committee
- Credit Revision Committee
- Remuneration Committee
- Risk Committee
- Sustainability Committee

Board of Directors, in order to facilitate making informed decisions during the process of developing the Bank's strategies, may consult independent experts in the areas of expertise it deems necessary, without requiring approval from the Bank's management.

by Education

PhD	18%
Graduate	46%
Undergraduate	36%

by Gender

Female	36%
Male	64%

Board Members Distribution

by Independence Status

by Executive Status

Average Tenure

According to the updated Board of Directors Diversity Policy in 2023, it was targeted that the number of female members on the TSKB Board of Directors would be increased to at least three, representing 27% of the total number of members, within three years. This target was exceeded by the end of 2024.

Corporate Governance Committee
The Corporate Governance Committee assesses whether the Corporate Governance Principles are being applied at TSKB, identifies the reasons if they are not, and detects any conflicts of interest arising from the failure to fully comply with these principles. It provides recommendations to the Board of Directors to improve Corporate Governance practices and oversees the activities of the Investor Relations unit.

In 2024, TSKB's Corporate Governance Principles Compliance Rating increased from 9.66 to 9.67 out of 10. The report regarding the period revision conducted by Saha Corporate Governance and Credit Rating Services can be accessed here.

The committee, consisting of at least two non-executive Board Members and the Investor Relations Manager, meets at least 4 times a year. The Board Members who are part of the committee and do not hold an executive role are also members of the Nomination Committee.

In 2024, the members of the TSKB Corporate Governance Committee attended all 4 meetings of the committee.

Audit Committee
The Audit Committee assists the Board of Directors in carrying out its audit and oversight activities. The committee consists of at least two non-executive Board Members and meets at least 4 times a year.

In 2024, the members of the Audit Committee attended all 53 meetings held by the committee.

Remuneration Committee
The Remuneration Committee determines the principles, criteria, and practices to be used in the compensation of Board Members and executives with administrative responsibilities, taking into account the Bank's long-term objectives, and oversees their implementation. The committee consists of at least two non-executive Board Members and meets at least once a year.

In 2024, the members of the Compensation Committee attended all 1 meeting held by the committee.

Risk Committee
The Risk Committee was established to evaluate the risks the Bank is exposed to, develop risk management policies, implement practices related to risk management, determine and monitor risk limits, and ensure coordination between the executive units and internal systems. The committee meets at least four times a year and reports its activity results to the Board of Directors through the Audit Committee.

In 2024, the members of the Risk Committee attended all 4 meetings held by the committee.

Credit Revision Committee
The Credit Revision Committee carries out its activities with the participation of the CEO, 3 Board Members, 2 Executive Vice Presidents and the managers of the relevant departments. The Committee convenes at least once a year to discuss the evaluation of the loan portfolio and revision of limits.

Committee members fully participated in the 1 meeting held by the Credit Revision Committee in 2024.

Legal Compliance and Business Ethics
It is essential for organizations to comply with all applicable laws and regulations while conducting their activities, take measures against corruption in their commercial relations with stakeholders, and carry out their operations in accordance with ethical principles as part of the corporate governance approach. Banking is an industry with a long-standing tradition of work and business ethics principles. The sector is also comprehensively regulated under both international and national legislation. In this context, business ethics and legal compliance are of vital importance for TSKB.

TSKB has a Legal Affairs Department operating under the Executive Vice President and a Corporate Compliance Department structured under the Audit Committee.

Governance Model

The Corporate Compliance Department is responsible for coordinating Know Your Customer (KYC) matters, monitoring regulations that may impact the bank, and analyzing them with relevant departments. The Legal Affairs Department handles all legal matters of the Bank and performs the Secretariat duties of the Board of Directors.

TSKB has a complaint mechanism and online channels through which internal and external stakeholders can easily express their concerns if they suspect any violation of business ethics principles. The systematic implementation of business ethics at TSKB is shaped within the framework of the Banking Ethics Principles of the Banks Association of Turkiye, TSKB Anti-Bribery and Anti-Corruption Policy, and the UN Global Compact principles, applicable to all employees at every level and position, starting from the members of the Board of Directors. The bank has a Sustainable Procurement Management Policy that is binding specifically for its suppliers and business partners.

Legal compliance and business ethics issues are evaluated within the corporate risk management system, and improvement initiatives are implemented. Identified areas for improvement are transformed into corporate targets and assigned to the relevant managers. Success in these areas is also assessed within the scope of performance evaluation and remuneration systems.

In 2024, there were no cases of non-compliance with regulations determining the conditions for providing products and services, environmental legislation, international sanctions, or trade restrictions, nor were there any violations of confidentiality through the loss or disclosure of customer information to third parties, corruption, or discrimination. No material or financial penalties were imposed on TSKB or its employees due to violations in these areas, and no complaints were received by the Bank in this regard.

Sustainability Governance

For TSKB, as a development bank, sustainability goes beyond being the core philosophy that shapes business practices and interactions with stakeholders, becoming the fundamental focus of its products and services. The concept of sustainability is fully integrated into TSKB's value creation model and its importance continues to grow each day.

TSKB's Sustainability Management System is primarily based on the Sustainability Policy, first published in 2012 and updated over time to align with national and international developments as well as stakeholders' expectations. Additionally, ten different policies developed and implemented with an ESG focus further detail TSKB's sustainability management principles. Among these complementary policies is the Environmental and Social Impact Management Policy, which includes the List of Non-Financed Activities in accordance with responsible banking principles. The oversight of the Sustainability Management System is carried out periodically through both internal audit processes and annual external audit services. The relevant policies can be accessed here.

For TSKB sustainability goes beyond being the core philosophy that shapes business practices and interactions with stakeholders, becoming the fundamental focus of its products and services. Sustainability, a key component of TSKB's strategy, is a focal point in the reporting period's strategic plan, encompassing themes such as sustainable development, combating and adapting to climate change, and national and international developments like the Carbon Border Adjustment Mechanism (CBAM) and the Emissions Trading System (ETS).

For TSKB sustainability goes beyond being the core philosophy that shapes business practices and interactions with stakeholders, becoming the fundamental focus of its products and services.

At TSKB, sustainability management is carried out through a multi-layered distribution of responsibilities, extending from the Board of Directors to the operational units. Decisions made at the strategic level by relevant bodies are transformed into projects and initiatives at the operational level, ultimately translating into sustainability performance.

Responsibility distribution for sustainability management, the operational structure of relevant bodies, working principles, and other detailed information can be accessed here.

In 2024, while ensuring integration across the Bank, the Climate Change and Sustainability Management Department was established to centralize the management and in-depth analysis of climate change and sustainability issues, aiming to increase effectiveness. With this organizational development, TSKB is taking a more active role in combating the ecosystem crisis and is resolutely continuing its mission to contribute to Türkiye's sustainable future.

Sustainability Committee

TSKB Sustainability Committee is the highest governance body responsible for implementing the strategy and targets set in line with sustainability objectives.

Established in 2014, the Sustainability Committee carried out its activities during the reporting period with the participation of 4 Board Members, the CEO, and 2 Executive Vice Presidents, one of whom is the Sustainability Leader. Committee members are selected based on their academic and professional expertise, enabling them to develop and oversee strategies related to sustainability-linked risks and opportunities, particularly in relation to climate change.

Ms. Ece Börü, who served as the CEO of TSKB from August 2020 to April 2022, led sustainability efforts at the Bank, including the management of climate risks and opportunities, which was accelerated with the establishment of the Climate Risk Working Group in 2020.

As the only executive member representing the Board of Directors in the Sustainability Committee, CEO Mr. Murat Bilgiç leads key milestones in TSKB's sustainability journey, including 2022 Net-Zero Banking Alliance membership and Science-Based Targets initiative (SBTi) approval process. Mr. Bilgiç is also a member of prominent initiatives in sustainability, including ERTA and UN Global Compact Türkiye Board of Directors and Chapter Zero Türkiye Advisory Board.

Mr. Mithat Rende, who served as the Deputy Director General of Energy, Environment, and Water Affairs in 2005 and chaired the Trade and Transit Working Group of the Energy Charter Conference in Brussels from 2005 to 2008, also served as the Chief Negotiator for Climate Change and a member of the Turkish Nuclear Energy Commission from 2010 to 2013.

Ms. İzlem Erdem, Executive Vice President of İş Bank, also serves as the Sustainability Leader of the Bank. Ms. Erdem is responsible for representing the Bank in sustainability communications, including stakeholder engagement, and guiding sustainability initiatives. Recently, she led the process of announcing İş Bank's 2030 reduction targets under the NZBA framework.

Another member of the committee, Dr. Ş. Nuray Akın, focuses on areas such as immigration policies, changes in fiscal policies in response to demographic shifts, and social security. In 2014, Dr. Akın served as a consultant in the Global Macroeconomics Team at the World Bank, and she is currently conducting ongoing research on women's participation in the workforce.

Ms. Meral Murathan, Executive Vice President and a member of the Committee, serves as the TSKB Sustainability Leader, responsible for positioning sustainability activities within the strategic planning framework, guiding sustainability initiatives, and representing the Bank in sustainability communications.

The Committee convened twice in 2024 to coordinate the business plans and activities created within the framework of sustainability strategy, vision, and targets, and to closely monitor the activities of the Sustainability Management Committee and the Climate Change and Sustainability Management Department, which handles the committee's secretariat duties.

During the reporting period, the Committee conducted review, auditing, and approval activities concerning policy revisions, long-term targets, commitments, and recorded performance, as well as the Integrated Annual Report and Climate Report. It is planned to provide shareholders with information on the sustainability activities carried out in 2024 and future plans, aligned with the climate transition plan and Sustainable Development Goals, at the General Assembly Meeting to be held in March 2025.

The Committee is informed twice a year about the targets publicly disclosed by TSKB. Committee members evaluate the action plans of the responsible teams regarding targets that have not been met or where performance does not align with expectations. The Climate Change and Sustainability Management Department regularly informs the Committee about changes in regulations and guidelines, as well as developments related to sustainability and climate risks throughout the year.

Sustainability-related KPIs and targets have been integrated into the remuneration policies of the executive members of the Committee. Following budget discussions, sustainability-related targets account for 36% of the overall targets set for the entire Bank, including senior management. These targets, including sustainable financing, SDG-linked loan portfolios, and human capital, are connected to sustainability-related risks and opportunities that are expected to significantly impact the Bank's financial performance during the reporting period.

Governance Model

Sustainability Management Committee
The Sustainability Management Committee, established to ensure the expansion of sustainability activities across the Bank and their integration into the evolving business processes, meets regularly in alignment with TSKB's sustainability vision, strategy, targets, and business plans. The committee, consisting of the CEO of TSKB, Executive Vice Presidents directly involved in sustainability, department heads, and employees from the Climate Change and Sustainability Management Department, reports its activities to the TSKB Sustainability Committee.

The annual targets of the Sustainability Management Committee are set in a clear and measurable manner. The targets are reflected in the performance scores of the Committee and employees in the relevant departments. The level of achievement of these targets is taken into account during the performance evaluation process of the respective employees.

Sustainability Integration in the Bank's Scorecard
36% of the targets in TSKB's 2024 scorecard are sustainability-related objectives.

The coordination of internal integration within the sustainability governance framework is overseen by the Climate Change and Sustainability Management Department.

2024 Committee Agenda

Legislative Updates and Developments

- Draft Climate Law by the Ministry of Environment, Urbanization, and Climate Change
- Türkiye's Long-Term Climate Strategy 2053
- Draft Türkiye Green Taxonomy Regulation
- Draft BRSA Guidance on Effective Management of Climate-Related Financial Risks by Banks
- Draft BRSA Green Asset Ratio Regulation
- Türkiye Sustainability Reporting Standards
- Draft Industrial Emissions Management Regulation
- Low-Carbon Sectoral Roadmaps
- Carbon Pricing Mechanism
- Directive on the Support for the Green Deal Compliance Project
- Draft Guidelines on Green, Sustainable, and Social Capital Market Instruments, and Draft Guidelines on Sustainability-Linked Capital Market Instruments
- Climate Change Mitigation Strategy and Action Plan (2024-2030)
- Climate Change Adaptation Strategy and Action Plan (2024-2030)
- Türkiye's International Direct Investment Strategy (2024-2028)
- Energy Efficiency Strategy 2030 and II. National Energy Efficiency Action Plan (2024-2030)
- Medium-Term Program (2025-2027)
- Twelfth Development Plan (2024-2028)
- Water Efficiency Regulation

TSKB-Specific Developments and Topics

- Science-Based Emission Reduction Targets
- 2050 Net Zero Roadmap and Interim Targets
- Long-Term Sustainable Finance Targets
- Sustainability Strategy
- Climate-Based Scenario Analyses
- Updated Sustainable Finance Framework: Transition Finance

In 2024, developments in sustainability, both globally and in Türkiye, were closely monitored. R&D activities were carried out, and risks and opportunities were assessed. Experience sharing occurred during stakeholder events attended by representatives from the public and private sectors, and contributions were made to the regulatory authorities' regulatory efforts and action plans.

Climate Change and Sustainability Management Department
In February 2024, TSKB established the Climate Change and Sustainability Management Department to centralize its sustainability efforts, create a dynamic structure in response to national and international developments, and effectively monitor and manage the Bank's portfolio in line with long-term targets and commitments.

The department's responsibilities are structured under five main areas of work.

CLIMATE CHANGE AND SUSTAINABILITY MANAGEMENT

Capacity Building & Collaborations
- National Policy and Regulations
- International Trends & Policies
- Collaboration with National and International Stakeholders

Strategy Development & Modeling
- Sustainability Strategy Integrated into Bank Strategy
- Sustainability and Climate Goals
- Measurement Tools (Models)
  - ERET (E&S Risks)
  - CRET (Climate Risks)

Relationships with Financial Institutions
- Sustainable Finance Products Technical Infrastructure
  - Fund Based ESMS Development
- Portfolio Based Reporting
  - E&S Risks
  - Climate Risks
  - Gender Equality

Reporting & Transparency
- Integrated Annual Report
- CDP
- Sustainability Management System
  - ISO 14001 - SMS
  - ISO 14064 - Emissions

Portfolio Analysis
- Sustainability Indices
- Bank Target Tracking

Governance Model

Each project evaluated on the Credit Committee agenda is presented with its impact on TSKB's long-term commitments and targets.

Climate Change and Sustainability Management team informed the Sustainability Management Committee and the Sustainability Committee throughout the year, for which it took on the secretarial duties. As part of the goal to enhance technical capacity within the Bank, information sessions and internal training were organized with the participation of relevant departments.

Awareness and brainstorming sessions were held with the participation of various teams on topics such as the updated Sustainable Finance Framework, SDG Mapping Model, Türkiye Sustainability Reporting Standards, and emission practices in Türkiye and EU. These efforts contributed to the development of initiatives that align with and support TSKB's strategy.

Climate Change and Sustainability Management team, as a stakeholder of the Credit Committee meetings, presents the impact of each project discussed on TSKB's long-term commitments and targets, and conducts analyses that contribute to the integration of sustainability-related risks and opportunities, including climate, into the decision-making processes of senior management.

The oversight of the sustainability governance structure, including the Committees and Climate Change and Sustainability Management Department, is carried out through internal audit processes and external audit services conducted annually.

SUSTAINABILITY TRAINING PROGRAMS WITHIN THE BANK

Sustainability Development Journey

The percentage of employees who completed the Sustainability Development Journey certification program, which began in 2023 at TSKB, increased to 36% by the end of 2024.

Sustainability Workshop

The 12th Sustainability Workshop, held in November 2024, was attended by 23 students from 9 departments across 7 universities.

The workshop included case studies focused on reducing carbon emissions and complying with regulations.

The goal was for students to grasp the processes of evaluating investment alternatives based on their technological compatibility,

Developing optimal action plans, and

Identifying potential pathways for investment financing.

In the case studies, where participants evaluated investments in line with environmental and social key objectives, the aim was to align investments with themes such as social inclusion, gender equality, and women's employment. In the Sustainability Workshop, as part of the risk and opportunity analysis, Environmental, Social, and Governance (ESG) assessments were carried out, along with an analysis of investments in relation to the Sustainable Development Goals (SDGs), creating a comprehensive and multidimensional study.

STAKEHOLDER ENGAGEMENT

WE VALUE KNOWLEDGE SHARING AND COLLECTIVE ACTION

Public Sector
We participate in consultation meetings organized by relevant ministries and public institutions, supporting efforts by providing feedback on various areas such as climate change, impact investments, sustainable capital market instruments, circular economy, and reporting standards.

Banking Sector
We meet with sector representatives on various platforms, primarily through the Banks Association of Türkiye, to collaboratively develop sector standards.

Development Banks
We value knowledge sharing focused on development and sustainability with other development banks worldwide that differentiate themselves with their mission and value creation models. As the sole Turkish member of the International Development Finance Club, we collaborate on various fields, including climate change, biodiversity, gender equality, and the Sustainable Development Goals.

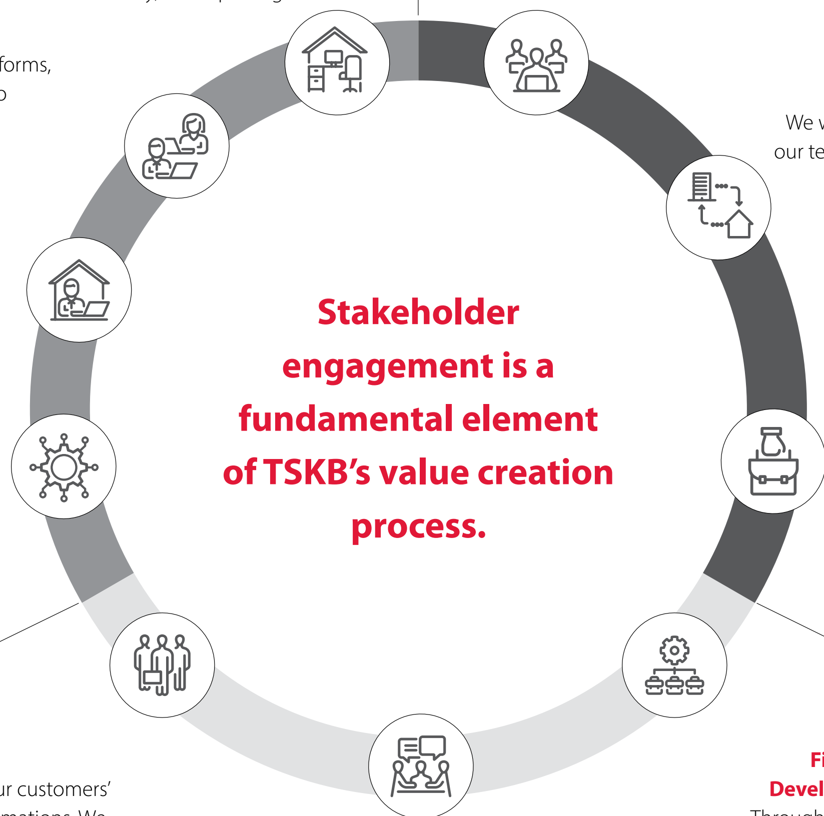
Private Sector
Through our membership in various associations and initiatives, we meet with private sector representatives and have the opportunity to listen to the needs of different sectors. By sharing best practices and identifying areas for improvement, we contribute to the transformation of these sectors while also raising awareness.

WE ARE CONTINUOUSLY EVOLVING WITH OUR DYNAMIC VALUE CREATION MODEL

Employees
With our expert human capital, we are setting numerous milestones in our sustainability journey, aligned with our long-term strategy, targets, and commitments.

Subsidiaries
We work in synergy with our subsidiaries, established with our technical expertise. Together, we create value in various areas, generating numerous opportunities for mutual growth.

Suppliers
We value the consideration of environmental, social, and governance issues by our suppliers and collaborate with them to raise awareness in these areas.



Customers
We aim to be a partner in our customers' green and inclusive transformations. We provide multifaceted services not only through our lending activities but also with our advisory services.

Investors
We continuously inform our investors within the scope of our targets and commitments.

Financial Institutions and Development Finance Institutions
Through our long-term collaboration with fund providers, we create partnership opportunities to address the needs of our country and our clients.

WE SUPPORT INCLUSIVE AND SUSTAINABLE DEVELOPMENT

Governance Model

TSKB carries out its activities in accordance with the various declarations and principles it has signed.

Initiatives and Associations Actively Participated Through Board Membership and Working Groups

- United Nations Environment Programme Finance Initiative (UNEP FI)
- Chapter Zero
- Integrated Reporting Association Türkiye (ERTA)
- Impact Investing Advisory Board (EYDK)
- Global Reporting Initiative (GRI)
- The Business and Sustainable Development Council (BCSD Türkiye)
- Net-Zero Banking Alliance (NZBA)
- Banks Association of Türkiye (TBB)
- Corporate Governance Association of Türkiye (TKYD)
- Turkish Industry and Business Association (TÜSİAD)
- Turkish Investor Relations Association (TÜYİD)
- International Institute of Finance (IIF)
- UN Global Compact Türkiye (UNGC Türkiye)
- International Development Finance Club (IDFC)

TSKB's Signed Declarations and Principles

- IDFC Climate Declaration
- European Long-Term Investors (ELTI) - COP21 Low Carbon Economy Transition Declaration
- Women's Empowerment Principles (WEPs)
- EBRD - UNEP FI Joint Declaration on Energy Efficiency
- Global Compact Türkiye Sustainable Finance Declaration
- UNEP FI Principles for Responsible Banking (Founding Signatory)
- IDFC Gender Equality and Justice Declaration
- Social Investment Coalition - Social Investment Declaration
- Business Plastic Initiative

Finance in Common Summit (FiCS)

- Sustainable and Resilient Global Recovery Declaration
- Biodiversity Declaration
- Gender Equality and Women's Empowerment Declaration

The International Development Finance Club (IDFC)

Since becoming an active member in 2011 and joining the Steering Committee in 2019, TSKB has continued its work within IDFC on issues such as gender equality, climate change, biodiversity, alignment with SDGs, and similar topics.

In 2024, TSKB hosted the IDFC Steering Committee Meeting for the first time in Türkiye at its headquarters in Istanbul. Leaders of development banks from various regions around the world, from Europe to South America, were welcomed. The meeting was attended by CEOs from some of the world's leading development organizations, including BOAD (West African Development Bank), Bancoldex (Colombia's Foreign Trade Bank), AFD (French Development Agency), and KfW (German Development Bank).

During the meeting, critical issues such as climate change, gender equality, alignment with sustainable development goals, solidarity for development, and biodiversity were addressed, with the goal of fostering collaboration and sharing experiences in these areas. Key highlights from the Gender Equality and SDG Alignment Working Groups, in which TSKB actively participates within IDFC, are shared in the Social Capital section for 2024.

In line with TSKB's vision of creating a financial ecosystem in harmony with nature, the Bank signed the Biodiversity Declaration published within the framework of the IDFC Finance in Common Summit in 2020. By signing this declaration, TSKB demonstrated its support for global commitments to biodiversity conservation and its ongoing efforts to promote nature-conscious investments through sustainable financing models. This signature reflects TSKB's commitment to integrating biodiversity into financial decision-making processes and emphasizes its mission to strengthen nature-based solutions and contribute to sustainable development. TSKB aims to further enhance its capacity in this area by 2025, taking a more active role in the Biodiversity Working Group of which it is a member, and increasing its contribution to global efforts for the protection of nature.

United Nations Climate Change Conference (COP29)

TSKB participated in the United Nations Climate Change Conference (COP29), held in Baku, Azerbaijan, from November 11-22, 2024. The bank was represented by Executive Vice President and Sustainability Leader Meral Murathan, along with managers from various departments, relevant technical teams, and Escarus. During the conference, TSKB participated in 9 different panels, alongside representatives from Türkiye, IDFC, UN Global Compact, Sustainable Future Platform, OPEC Fund, and the World Bank. In these panels, TSKB shared Türkiye's contributions and experiences in the sustainable development.

The most significant outcome of this year's summit, known as the Finance COP, was the decision to provide USD 300 billion in annual climate finance to developing countries. However, developing countries, which were expecting a commitment of USD 1.3 trillion, did not respond positively to the decision made.

In the meetings, an important step was taken to facilitate international carbon trading under UN supervision by allowing the production and trade of carbon credits from emission reduction projects, in accordance with Article 6.4 of the Paris Agreement. COP29, which highlighted ecosystem discussions and a nature-positive approach, also laid the groundwork for COP30, focused on biodiversity, to be held next year in Brazil.

The most significant development for Türkiye at COP29 was the release of the "Long-Term Climate Strategy." This strategy outlines Türkiye's goals to achieve net-zero emissions by 2053 and the steps that will be taken to reach these targets.

In order to effectively contribute to Türkiye's 2053 net-zero targets, TSKB will continue to closely monitor sectoral decarbonization activities in line with the "Long-Term Climate Strategy." With its sustainable development mission, the Bank will maintain an integrated and holistic approach, providing active support for Türkiye's green transition through its corporate banking, investment banking, and advisory services.

TBB Sustainability Working Group

The Sustainability Working Group, established within the Banks Association of Türkiye (TBB) in 2009, provides guidance to banks on systematically managing the predictability, transparency, and traceability of environmental and social issues. The group resumed active operations in 2020, and since that year, TSKB has chaired the group. With the establishment of the Climate Change and Sustainability Management Department in 2024, TSKB continued its role as co-chair of the TBB Sustainability Working Group.

On July 16, 2021, the "Green Deal Action Plan" published in the Official Gazette under the title "Green Finance" (3) includes the goal of "3.2. Developing the ecosystem that will foster the development of green finance in our country." As part of this, the action "3.2.5. Establishing a roadmap for the development of sustainable banking" was assigned to and coordinated by the Banking Regulation and Supervision Agency.

Governance Model

In this context, with the aim of supporting financing for activities related to the reduction of greenhouse gas emissions under the Paris Climate Agreement and the European Union Green Deal, managing financial risks arising from climate change, and developing sustainable banking activities, the "Sustainable Banking Strategic Plan" was approved by the BRSA with its Decision No. 9999 dated December 24, 2021. In 2024, the "Actions" and "Collaboration Entities" categories in the Sustainable Banking Strategic Plan, where TBB was designated as the "Responsible/Coordinating Institution," were carried out by the TBB Sustainability Working Group.

The draft regulation on the Green Asset Ratio, published in 2023, and the technical screening criteria of the related regulation were also on the agenda in 2024 regarding how banks would apply them. This regulation, which defines Green Loan criteria for 8 main sectors and 7 sub-sectors within the manufacturing sector, was based on the European Union taxonomy to establish technical screening criteria. In 2024, with the National Green Taxonomy Regulation opened for consultation by the Directorate of Climate Change, the implementation of the Green Asset Ratio Regulation was followed through negotiation meetings between the TBB Sustainability Working Group, the BRSA, and the Directorate of Climate Change, representing TBB.

The Climate Risks Sub-Working Group, established within the TBB Sustainability Working Group, prepared the "Guideline for Developing Heat Map Methodologies" in December 2024, which can be used as a guide for banks in assessing transition and physical risks related to climate change for high-emitting sectors, and in analyzing sector-based climate risks for each risk factor. TSKB contributed to the preparation of the guideline in the context of the fertilizer and glass sectors.

Within the TBB Sustainability Working Group, TSKB contributed to the work of the Climate Transition Finance Sub-Working Group, which focuses on achieving Türkiye's 2053 Net Zero targets. The group analyzed activities in sectors such as cement, energy, transportation, iron and steel, aluminum, oil and natural gas, chemicals, plastics, construction, real estate, and agriculture, specifically in terms of sector-based value chains. TSKB contributed to identifying investments and necessary financing criteria for transition financing, using emission reduction technologies and sectoral roadmaps. The working group continues its efforts in preparing the Climate Transition Finance Guide.

During the reporting period, in line with its co-chair responsibility within the TBB Sustainability Working Group, TSKB actively participated in the Climate Finance Working Group, which was established under the coordination of the Ministry of Environment, Urbanization, and Climate Change of the Republic of Türkiye. TSKB played an active role in the development of the National Taxonomy. Additionally, throughout the year, the bank contributed to sub-sector meetings, which were held with the participation of public and sector representatives, regarding the draft texts prepared for the technical screening criteria.

Business and Sustainable Development Council (BCSD Türkiye)

Since 2014, TSKB has been a member of the Business and Sustainable Development Council, actively engaging in its initiatives and forming significant collaborations. The bank seizes opportunities for sharing knowledge and experiences with other member companies.

In 2024, TSKB was elected as the Vice Chair of the Board of Directors of BCSD Türkiye. The bank also serves as the president of the Financial Products and Services Working Group within the association. In the 2024-2025 period, TSKB continues its efforts with the goal of launching two different projects within the Working Group.

The first project, aimed at mapping financial institution products related to sustainable finance themes and criteria, is nearing completion. This project will allow private sector representatives to identify the appropriate theme for their investments, check the criteria, and get in touch with the relevant financial institutions.

The details of the second social-themed project, which started at the end of 2024, can be found in the Social Capital section.

ESG Ratings and Indexes

ESG factors play a decisive role in investor decisions. TSKB Climate Change and Sustainability Management Team interacts with ESG rating agencies and works to ensure the transparent and accurate reflection of the Bank's sustainability performance in global ratings and indexes.

First Place in Türkiye	**Sustainalytics ESG Risk Rating**	Severe	High	Medium	Low	**Negligible**			
		40+	40-30	30-20	20-10	10-0			
	CDP Climate Change Score	D-	D	C-	C	B-	B	**A-**	A
		Disclosure		Awareness		Management		Leadership	
Among the Best Turkish Banks	**LSEG ESG Score**	0			**85**	100			
Only institution from Türkiye	**Equileap Gender Equality Index**	0			**71**	100			
First Place in Türkiye	**Sustainable Fitch**	5	4	**3 (62)**	2	1			
	Moody's ESG Credit Impact Score	5	4	3	**2**	1			
		Very Highly Negative	Highly Negative	Moderately Negative	Neutral-to-Low	Positive			
	Fitch ESG Credit Relevance Score	5	4	3	**2**	1			
		Highly relevant	Relevant	Minimally relevant	Irrelevant				
Only bank from Türkiye	**Corporate Knights**	The 100 most sustainable companies							

*2023 year-end score. 2024 results have not yet been publicly published by CDP.

Governance Model

TSKB SUSTAINABILITY JOURNEY MILESTONES*

1980

The integration of environmental factors into the loan evaluation processes

1990

The first environmental loan disbursement

2005

Establishment of the Environmental Management System (EMS)

Design of the Environmental and Social Risk Evaluation Tool (ERET)

2006

Publication of the Environmental Policy

2012

The first Turkish bank to receive the ISO 14064 certification

The revision of the Environmental Policy and Environmental Management System to Sustainability Policy and Sustainability Management System

2014

Establishment of the Sustainability Committee

2015

Participation in the BIST Sustainability Index

Update of the Sustainability Policy

2016

Issuance of the first green/ sustainable bond in Turkiye and the CEEMEA region

*You can access our Climate Journey on page 98.

TSKB SUSTAINABILITY JOURNEY MILESTONES

2007

The first Turkish bank to receive the ISO 14001 Environmental Management System Certification

The evaluation of all investment projects within the scope of the ERET Model

2008

Publication of the first Sustainability Report

2010

Membership in the United Nations Global Compact (UNGC)

Publication of the first Sustainability Report in accordance with GRI Standards

2011

The establishment of Escarus, which operates in the field of sustainability consulting

2017

Issuance of the world's first sustainable Tier II bond

Publication of the first Impact and Allocation Report in Turkiye

Publication of the first Integrated Report in the Turkish financial sector

2019

Directorate of the IDFC Climate Facility Coordination Unit

Founding signatory of the UNEP FI Principles for Responsible Banking

2021

SDG Mapping Model

Best ESG Risk Rating in Turkiye by Sustainalytics

First loan issuance using the SDG loan model

Signatory of the Finance in Common Summit; Declarations on Sustainable and Resilient Global Recovery, Biodiversity, Gender Equality, and Women's Empowerment

Securing Turkiye's first ESG Risk Rating-linked Club Loan

Facilitating the world's first sustainable lease certificate issuance

Implementation of the Sustainability Strategy

Active participation in the TBA Sustainability Working Group

2022

Entry into the Global Top 50 Institutions List with Sustainalytics ESG Risk Rating

Publication of TSKB Responsible Communication Policy

2023

Rising to 10^{th} place among global banks with Sustainalytics ESG Risk Rating

2024

First place in Equileap's "Gender Equality in Emerging Markets" Index

Organization of the First Development Day

Capitals

FINANCIAL CAPITAL

In 2024, with the disbursement of more than USD 1.8 billion in long-term cash loans, TSKB, as a development and investment bank, experienced an 11.6% growth in its loan portfolio on a FX-adjusted basis, thanks to its dynamic and efficient business model and capital generation capacity, with limited impact from temporary macroprudential measures.

52%

Since 2021, 52% of the target of USD 10 billion has been completed with the disbursement of USD 5.2 billion.

92%

As of 2024, the share of SDG-linked loans in the total portfolio

Capitals

FINANCIAL CAPITAL

2024 TARGETS AND REALIZATIONS

Target	Realization
To provide financing of USD 10 billion or more for SDG-linked projects between 2021 and 2030.	With the disbursement of USD 5.2 billion since 2021, 52% of the target has been achieved.
To maintain the share of SDG-linked loans in the total portfolio at 90% or above.	92%
To ensure that loans contributing to climate and environmental SDGs account for 60% or more of the total loan portfolio.	58%
To provide climate financing of USD 4 billion or more between 2024 and 2030.	In 2024, a total of USD 720 million in disbursements was made, achieving 18% of the target.
To provide financing of USD 400 million for earthquake recovery between 2024 and 2025.	In 2024, a total of USD 320 million in disbursements was made, achieving 80% of the target.
To not finance new coal-fired thermal power plants and coal mining investments for electricity generation, and to fully phase out exposure to coal in our performing loan portfolio by the end of 2035.	No disbursements were made for the target in 2024.
To create financing for companies in the real sector that are focused on transitioning to a low-carbon economy, in line with our 2050 Net Zero target.	The transition financing dimension has been added to our Sustainable Financing Framework, diversifying financing opportunities.

TARGETS FOR UPCOMING PERIOD

Target
To provide financing of USD 10 billion or more for SDG-related projects between 2021 and 2030 To maintain the share of SDG-linked loans within the total portfolio at or above 90% by 2030
To provide financing of USD 4 billion or more for climate finance between 2024 and 2030 To maintain the share of loans contributing to climate and environmental SDGs within the total loan portfolio at 60% by 2030
To provide financing of USD 600 million for earthquake recovery-themed financing between 2024 and 2026
To create financing for real sector companies focusing on transitioning to a low-carbon economy in line with our Net Zero 2050 target
To work on providing transition financing for clients operating in carbon-intensive sectors to support their green transformation investments
To provide financing of USD 600 million or more for social development-focused SDG projects by the end of 2026
To provide financing of USD 200 million or more for women's employment and women's empowerment financing by the end of 2026
To not finance new coal-fired thermal power plants and coal mining investments for electricity generation, and to fully phase out exposure to coal in our performing loan portfolio by the end of 2035

Capitals

FINANCIAL CAPITAL

2024'S HIGHLIGHTS

Financial performance underpinned by strong liquidity, strong capital structure, and healthy asset quality
Thanks to its continued high performance in line with its year-end targets, TSKB's net profit for 2024 exceeded TL 10 billion, up 44% year-on-year.

Thanks to its dynamic and efficient business model and its ability to raise capital as a development and investment bank with limited impact from temporary macro-prudential measures, TSKB's loan portfolio grew by 11.6% on an FX-adjusted basis in 2024, with more than USD 1.8 billion of long-term cash loans disbursed.

Fee and commission income continued to represent a significant portion of total banking revenues, increasing by 13% year-on-year. The Bank's solid ability to generate net interest income and strong margin performance enabled it to record a net interest margin exceeding 6%.

The Stage 3 ratio decreased significantly compared to private banks, reflecting strong collection performance and reclassification of loans. The Bank's total provision ratio stood at 4.8% as of year-end. In addition, TSKB added TL 300 million in free provisions during the year, making it the only bank in the sector to increase its free provisions. With a net cost of risk -60 basis points in 2024, the Bank stood out in the sector for its strong asset quality, which it has maintained uninterruptedly since 2018, and its provisioning ratio, which has improved every year.

In 2024, TSKB recorded the best return on equity in the sector with a ratio of 38.5%, despite free provisions of more than TL 2 billion.

TSKB is continuously strengthening its cooperation with development finance institutions, which are among the most important stakeholders in its value creation model.

Target Setting Year	Target	2021	2022	2023	2024	Target Year
2020 Annual Report	To maintain the share of SDG-linked loans within the total portfolio at or above 90% by 2030	89%	91%	90%	92%	**2030**
2020 Annual Report	To provide financing of USD 10 billion or more for SDG-related projects between 2021 and 2030	USD 1.1 billion 14% of the target has been achieved	USD 1.1 billion A total of USD 2.2 billion 28% of the target has been achieved	USD 1.2 billion A total of USD 3.4 billion 42.5% of the target has been achieved. The target has been revised from USD 8 billion to USD 10 billion.	USD 1.8 billion A total of USD 5.2 billion 52% of the target has been achieved.	**2030**
2021 Climate Risk Report	To maintain the share of loans contributing to climate and environmental SDGs within the total loan portfolio at 60% by 2030	62%	60%	62%	58%	**2030**
2021 Climate Risk Report	To limit the share of financing for power plants using non-renewable sources in our loan portfolio to 5%, and to phase it out by 2035	3.8%	3.5%	3.0%	2.0%	**2035**
2024 Climate Report	To provide financing of USD 4 billion or more for climate finance between 2024 and 2030	-	-	-	USD 720 million 18% of the target has been achieved.	**2030**
2024 Annual Report	To provide financing of USD 600 million or more for social development-focused SDG projects by the end of 2026					**2026**
2024 Annual Report	To provide financing of USD 200 million or more for women's employment and women's empowerment financing by the end of 2026					**2026**

Stronger collaboration with development finance institutions
TSKB is continuously strengthening its cooperation with development finance institutions (DFIs), which are among the most important stakeholders in its value creation model. In 2024, the Bank signed a total of USD 715 million in funding agreements with 6 different institutions, namely IBRD, AFD, CDP, ITFC, EBRD, and IFC, covering renewable energy, earthquake reconstruction, greening earthquake-affected companies, combating climate change, and women's employment. The number of institutions with which TSKB works in close cooperation increased to 14 by the end of the year with the addition of 2 more institutions.

TSKB also builds capacity and seeks new business opportunities in Türkiye through initiatives such as the International Development Finance Corporations (IDFC), the Long-Term Investors Club (LTIC) and the European Long-Term Investors Association (ELTI), which include 26 different members from 26 developed and developing countries representing a total asset size of USD 4 trillion.

Capitals

FINANCIAL CAPITAL

TSKB Sustainable Finance Framework Extended to Include Transition Finance
In August, TSKB updated its Sustainable Finance Framework to reflect the latest principles published by the International Capital Markets Association (ICMA), market dynamics, and best practices.

Transition financing was integrated into the framework document, representing one of the first examples in the world. In the coming period, transition finance will support green investments by companies operating in high-emitting sectors.

Financial performance strengthened by transactions in international capital markets
TSKB continued to be active in the international capital markets in 2024. In March, a Eurobond issue was performed as additional Tier 1 capital. In October, another successful transaction was completed, and Eurobonds were offered to the market. As a result, the financial ratios, including the interest margin, were strongly supported, and the potential for development growth was enhanced.

Growth focused on investment loans
TSKB disbursed USD 1.8 billion in cash loans in 2024 through its corporate banking and project finance activities in inclusive and strategic development areas, including climate and earthquake financing, renewable energy, energy and resource efficiency, manufacturing capacity expansion, new technology investments, and women's employment. USD 1.5 billion of this amount was disbursed as long-term investment and medium-term working capital loans to corporate companies.

During the reporting period, loans represented 72% of total assets, 23 points above the industry average. TSKB, in cooperation with other financial institutions, disbursed USD 300 million in loans for project financing.

27% market share in medium and long-term loans
TSKB provides medium and long-term financing to its customers with the vision to be the leading bank in the sustainable development of Türkiye. In 2024, the Bank provided cash and non-cash credit lines of USD 2.5 billion to corporate companies and signed new loan agreements for a total of more than USD 2.2 billion. At the end of 2024, 18% of TSKB's loan portfolio consisted of loans with a maturity of less than 1 year and 48% of loans with a maturity of 5 years or more. The average loan maturity is approximately 5 years.

TSKB has 27% market share among development and investment banks in medium and long-term loans, and the share of investment loans in total loans was 74% at year-end 2024. In the same period, the share of working capital loans and other loans, including APEX, was 17% and 9%, respectively.

Growth in value creation through capital investments
The Bank made its first investment under the TSKB Venture Capital Investment Fund with Poweren Elektrik, which will implement 110 MW storage SPP and WPP projects.

In 2023, TSKB secured a USD 155 million loan from the World Bank guaranteed by the Ministry of Treasury and Finance to establish the Türkiye Green Fund. Accordingly, Türkiye Green Fund was successfully established in 2024. With this transaction, which is the first of its kind in the world and the practices of the World Bank, the largest venture capital investment fund in Türkiye has been created. The Bank aims to provide capital investment to green companies in the process of green transformation in Türkiye through the Fund in the coming period.

Managing climate-related risks and opportunities
In order to manage sustainability risks and opportunities, particularly those related to climate change, TSKB continuously reviews its own operations, their impact on the environment and society, as well as the areas of need for its customers in their green transformation processes. TSKB's liabilities, including the thematic funding provided throughout the year, are used to mitigate the direct and indirect negative impacts and to support environmentally and socially responsible green and social investments.

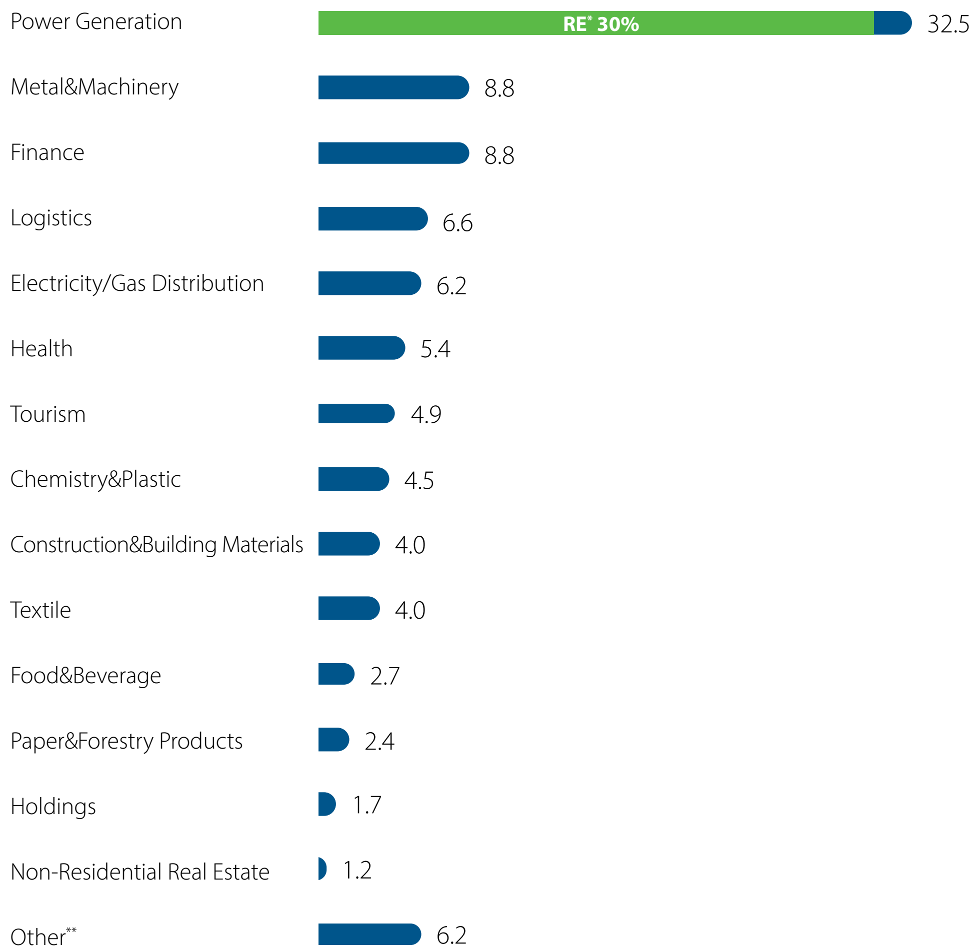
With the aim of continuing to have an impact in the areas of renewable energy, energy and resource efficiency, earthquake reconstruction, circular economy, women's employment, and empowerment, the Bank aims to include adaptation investments in its area of impact in the coming period.

The Bank made its first investment under the TSKB Venture Capital Investment Fund with Poweren Elektrik, which will implement 110 MW storage SPP and WPP projects.

For details, please refer to the Natural Capital and Social Capital sections.

2025 Expectations
The growth strategy will remain in place through 2025, with FX-adjusted loan growth targeted at double-digit levels, in line with 2024. The diversified funding activities, the robust return on assets, the high provisioning ratios, and the strong capital buffers, which are well above the sector average, are expected to support the Bank's growth targets. Furthermore, the Bank will continue to positively differentiate itself from the sector through stable profitability as in 2024 and create qualified value through corporate banking, investment banking, and advisory services in line with Türkiye's and the Bank's sustainable development goals in 2025.

Sectoral Breakdown of TSKB's Loan Portfolio in 2024 (%)



*Renewable Energy Loans
**Automotive, telecommunications/technology, and other loans

Capitals

FINANCIAL CAPITAL

TSKB AND RENEWABLE ENERGY

Combating climate change and the transition of Türkiye to a low-carbon economy greatly depend on the efficient and proper utilization of renewable energy sources. Renewable energy sources are key in reducing Türkiye's dependency on foreign energy. On the other hand, the Energy Transformation- Renewable Energy 2035 Roadmap, published during the year, outlines the target to reach an installed capacity of 120,000 MW in wind and solar energy by 2035. This aims to increase the share of renewable energy in the total installed capacity to over 70%.

The energy sector continues to dominate the Bank's loan portfolio.
Energy generation has the largest share in TSKB's loan portfolio, with 32.5% in the reporting period. 92% of the energy generation portfolio consists of renewable energy projects. The share of renewable energy projects in the Bank's total loan portfolio is 30%.

Renewable energy installed capacity supported by financing: 9,294 MW
Since 2002, TSKB has been investing its medium- and long-term funds in various power plant projects in Türkiye that use renewable energy sources, in particular HPPs, SPPs, WPPs, biomass/biogas power plants, and geothermal power plants. In addition, a significant amount of financing has been provided in recent years for prosumer investments in rooftop and land-based solar power plants by clients operating in the manufacturing industry.

The total installed capacity of the 476 renewable energy projects financed by the Bank amounts to 9,294 MW, which represents 14% of the total installed capacity of renewable energy in Türkiye by the end of 2024. The renewable energy projects financed to date have helped to reduce emissions by approximately 14 million tons of CO_2e.

As part of its Climate Change Mitigation and Adaptation Policy, published in 2021, the Bank committed not to finance new coal-fired power plants and coal-mining investments for electricity generation. In January 2024, TSKB updated the scope of its policy and announced that it would no longer finance investments for the expansion of capacity in coal-fired thermal power plants and in coal mining for the generation of electricity.

TSKB has pledged to phase out coal financing by the end of 2035 in line with its net-zero emission targets with SBTi and NZBA.

91% of the renewable energy projects financed by TSKB were in operation in terms of units.
As of the end of 2024, 91% of the renewable energy projects financed by TSKB were in operation in terms of units and 94% in terms of installed capacity. Thus, the total installed capacity of operational projects reached 8,719 MW. The total investment amount of the renewable energy projects financed by the TSKB between 2003 and 2024 amounts to USD 13 - 14 billion, while the amount of loans committed by the Bank for these projects amounts to USD 6 billion.

Prosumer Investments in Rooftop and Land-Based SPPs
Due to the increase in energy prices and CBAM exposure, prosumer investments in rooftop and land-based SPPs come to the fore for companies in the manufacturing sector.

In 2024, TSKB continued to finance key projects in the rooftop SPP and land-based SPP segments. Accordingly, 29 rooftop SPP investments with a total installed capacity of 167 MW and 18 land-based SPP investments with a total installed capacity of 258 MW were financed.

TSKB will continue to support renewable energy projects that contribute to utilizing domestic energy resources in the economy in the coming period. In 2024, a loan agreement was signed with the IBRD to support prosumer investments in distributed solar power plants and battery electricity storage systems for energy generation by the private sector. This funding also aims to build capacity for gender equality in enterprises.

RENEWABLE ENERGY PROJECTS*

98 HPPs
3,868 MW
Total Installed Capacity
3.7 million households

95 WPPs
2,711 MW
Total Installed Capacity
3.4 million households

18 GPPs
655 MW
Total Installed Capacity
1.6 million households

237 SPPs
1,811 MW
Total Installed Capacity
1 million households

47 Land/Roof SPPs
425 MW
Total Installed Capacity

28 Biomass/Waste
250 MW
Total Installed Capacity
0.4 million households

*Projects financed by TSKB so far

Capitals

FINANCIAL CAPITAL

MULTIFACETED SUPPORT FOR SMES

Since its establishment, TSKB's mission has been to be a contributor to the sustainable development of Türkiye and a supporter of the real sector. To this end, it closely collaborates with national and international development finance institutions, multilateral banks, and private funds to provide SMEs with long-term and sustainable financing opportunities.

As of the end of 2024, TSKB has cooperated with 30 intermediary institutions as part of its wholesale banking activities, which generated efficient performance and shared value. Over the past three years, the Bank has provided a total of USD 95 million in loans to 156 small and medium-sized enterprises through APEX loans. The financing provided has helped the SMEs to increase and maintain their ability to employ people.

As of the end of 2024, the share of the SME segment in the loan portfolio of TSKB amounted to 3%.

Launched in 2016 in partnership with the EBRD, the program, which aims to facilitate and improve SMEs' access to finance, has been expanded with the signing of a risk-sharing agreement for a total of EUR 100 million in 2019. In 2024, the cooperation with the EBRD was continued within the framework of the joint financing of loans. In 2025, TSKB aims to increase and diversify the number of projects it collaborates on and to strengthen the support provided to SMEs.

The Bank continues to support women's participation in the labor force and SMEs in developing regions with direct financing and APEX funds through the reuse of the IncA2F loan it signed with IBRD in 2018.

In 2025, the Bank will continue to play an increasing role in SMEs' access to thematic and long-term finance through APEX loans in partnership with financial institutions under the IBRD IncA2F APEX financing model.

TSKB's focus on inclusiveness

TSKB continued to support women's employment as well as businesses operating in developing regions in 2024 as part of the reuse of the USD 400 million loan provided by the IBRD in 2018.

The Bank also signed a new USD 100 million loan agreement with IFC during the year as a follow-up to the first loan agreement on women's employment in 2022. This funding aims to promote gender equality through businesses and investments in Türkiye, including in the earthquake-affected regions, to integrate women into the workforce and increase their access to the labor market.

TSKB ensures that companies carry out self-assessments in the area of equal opportunities and encourages them to draw up action plans in order to improve their current practices. Support is provided for the implementation of various action plans, including those designed for implementing equal opportunities for employees from recruitment onwards, revising human resources, ethics, and disciplinary policies, improving or creating breastfeeding rooms in companies, reducing or closing the gap between women's and men's salaries, and supporting gender equality training.

Through the implementation of action plans, TSKB helped companies improve their working conditions by 54% as of the end of 2024.

Please refer to the Social Capital section for direct and indirect SDG analysis within the SDG Mapping Model for relevant companies.

We will maintain our focus in line with our strategy and policies and continue to finance awareness-raising efforts.

Expanding TSKB's reach with circular economy investments

The addition of the circular economy to TSKB's funding themes was an important step, with the signing of an EUR 80 million funding agreement with the French Development Agency (AFD - Agence Française de Développement) in December 2022.

With this funding from AFD, the Bank will provide financing for investments made by companies operating in Türkiye that serve the circular economy and for companies that aim to develop circular economy practices.

The circular economy theme, a first for AFD, provided an important opportunity for TSKB to develop its technical capacity and that of its clients.

Key Sectors
Chemical, Textile, Tourism, Health, Energy, Metal and Machinery, Construction, Electromechanical

Since 2023, the bank has applied this tool to 10 clients from 8 sectors it has provided financing to, and has determined their action plans.

Case Study
Our client, who operates in the chemical industry and is working on resource increase efforts in line with circular economy principles, had a policy of waste prevention at the source and recovery when prevention was not possible. Our client, which scored 82 points in the pre-action assessment, has started to work on the identified development areas and collaborated with its suppliers to increase its resources based on circular economy principles. As a result of the project, our client's score increased by 10%.

TSKB's Circular Economy Self-Assessment Tool, consisting of 11 main sections, enables the Bank's clients to analyze circular economy practices multi-dimensionally, from strategy, collaboration, product design processes, manufacturing, distribution, and supply management.

Since 2023, the bank has applied this tool to 10 clients from 8 sectors it has provided financing to, and has determined their action plans. As a result of these action plans, clients' parameters improved by 25% on average.

TSKB also applies the Circular Economy Self-Assessment Tool to its clients outside the scope of its funding to raise awareness. 24 companies, mainly in the iron and steel, metals and machinery, chemicals, cement, and textiles sectors, have applied this tool since 2023.

By the end of 2024, the Bank successfully exceeded its target of 16 companies to apply the self-assessment tool and reached 21 companies. In the coming period, TSKB will continue to support these investments and use the self-assessment tool that will go beyond raising awareness and enable its clients to take action to integrate circular practices into their business processes.

In December 2024, TSKB started cooperation with the consulting institution as part of the technical assistance provided under the loan.

TSKB has planned to do the following in the coming period;

- Formulating TSKB's circular economy strategy by identifying the best practices of international development banks on circular economy as well as the current status of circular economy practices in Türkiye's economy and potential areas for improvement,
- Developing a methodology for measuring the positive impact of circular economy investments,
- Analyzing risks and opportunities for women in the circular economy,
- Building the capacity of the Bank's teams actively involved in the lending process through technical training on the circular economy and raising awareness on more inclusive value chains through training on the link between gender equality and the circular economy,
- Organizing awareness-raising training to support the technical capacity of companies that want to develop practices that serve the circular economy.

Measuring the impact with a scientific method: TSKB SDG Mapping Model

TSKB's Sustainable Development Goals (SDG) Mapping Model aims to measure impact in the area of sustainable development through lending by analyzing the relationship between client financing and the 17 UN SDGs. Developed in 2020, this TSKB-specific model is implemented by specialized personnel. The results are verified by an independent external audit on an annual basis.

Based on the outputs of the model, TSKB sets long-term sustainable lending targets, strengthens the alignment of its loan portfolio with the SDGs, and measures its impact through ex-post analysis. Model outputs are reported to TSKB senior management on a quarterly basis. Following the necessary evaluations, updates are made in line with best practices, changes in the loan portfolio, and new themes.

Capitals

FINANCIAL CAPITAL

In 2024, the Model was reviewed, and revisions were made to enhance the impact under 169 sub-targets for SDGs. To this end, 3 new loan themes and 7 new project types were added to the model. The impact area of the model was expanded by establishing SDG linkages for new themes and project types. Additionally, due to the existence of both indirect and direct impact companies and investments in SDG 5, indirect impact criteria for SDG 5 were added to the model. In 2025, work on indirect impacts will continue.

TSKB's SDG mapping methodology is a critical part of the measurement of the impact of lending on sustainable development. Through the analyses conducted with the model, TSKB's performance is calculated on the basis of its targets announced in 2021 that 90% of its loan portfolio will be SDG-related and 60% climate and environment-related.

The Bank creates a strong link with SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation and Infrastructure), and SDG 13 (Climate Action) by providing financing to support climate change mitigation, environmental sustainability and green transformation projects. In line with the concept of "leaving no one behind", the loans financed also address SDG 1 (End Poverty), SDG 3 (Health and Quality of Life), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities) and SDG 11 (Sustainable Cities and Communities), which are focused on social development, and create social and economic benefits for society.

In addition to analyzing TSKB's compliance with the SDGs at the allocation stage of lending, the ex-post evaluation approach also measures the environmental and social impacts of projects at the completion stage, assesses the tangible results on sustainable development, and provides loan-specific updates. The analyses provide transparent impact reporting for investors and stakeholders and further strengthen TSKB's impact-based lending approach.

As of end-2024, TSKB's loan portfolio generated an impact linked to 15 of the 17 SDGs, including SDG 8 (Decent Work and Economic Growth), SDG 7 (Affordable and Clean Energy), SDG 13 (Climate Action), SDG 9 (Industry, Innovation and Infrastructure) and SDG 1 (End Poverty).

The impact of sustainability-related risks and opportunities on financial capital

As part of its dynamic value creation model, long-term cooperation with development finance institutions and financial institutions, and its activities in line with country policies, TSKB constantly monitors and evaluates the areas in which it has an impact in the light of its clients' needs and international best practices.

The results of the surveys and workshops conducted as part of the stakeholder and materiality analysis provide important input to the Bank's strategy. They also help to guide the Bank's future efforts. The risks, opportunities, and impact areas analyzed for priority issues have a direct impact on TSKB's financial capital.

Sustainability risks and opportunities, especially climate risks and opportunities, which may have an impact on TSKB directly or indirectly through its loan and investment portfolio, shape the Bank's thematic funding negotiations with development finance institutions and international financial institutions.

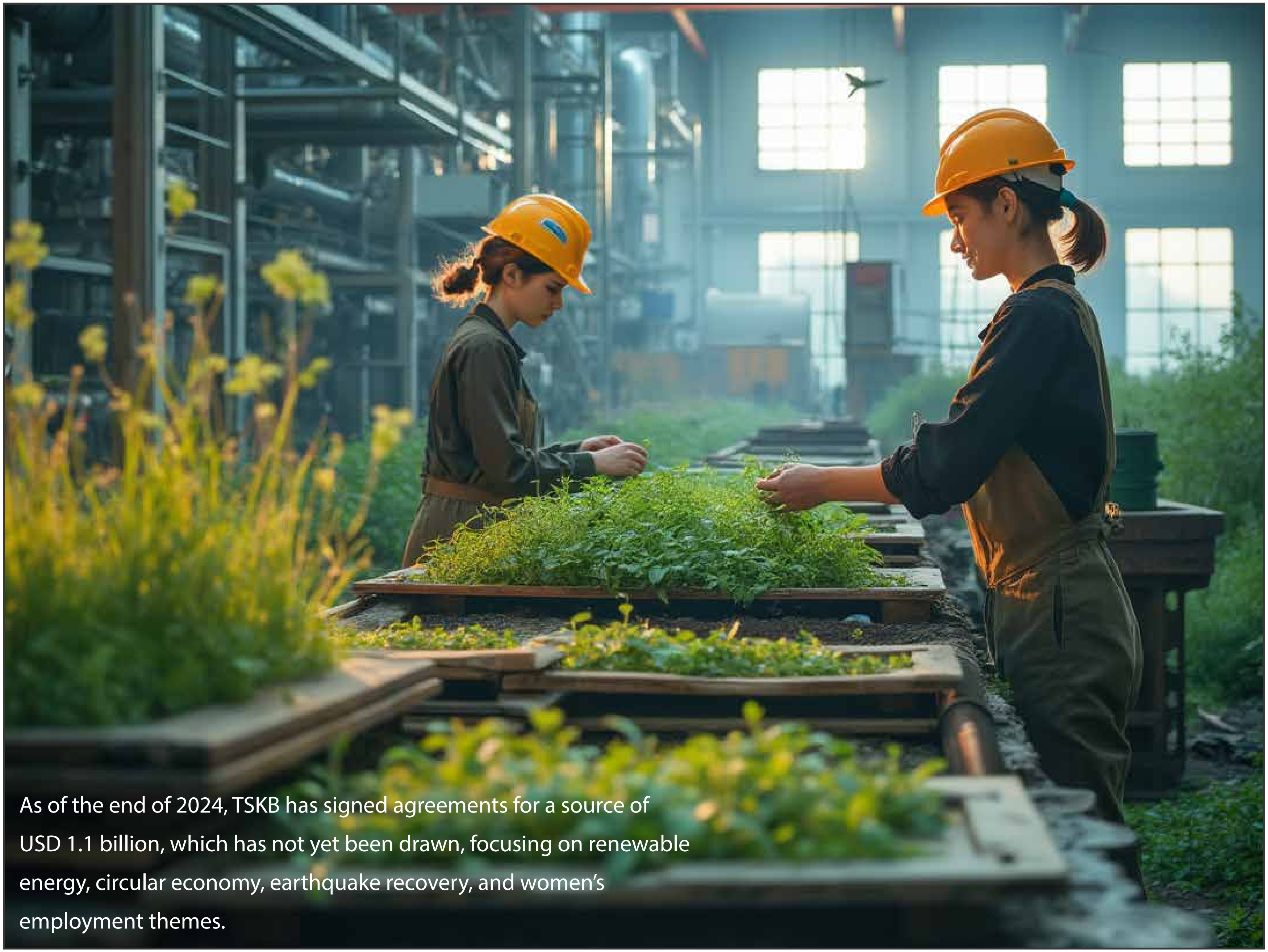
As of end-2024, TSKB has USD 1.1 billion of funding committed but not yet disbursed, focused on renewable energy, circular economy, earthquake reconstruction, and women's employment.

This funding matches:

This fund, which is on the liabilities side of the balance sheet, directly affects the loans item on the assets side.

TSKB aims to balance the ratio of climate and environmental loans to its total loan portfolio, which was 58% at the end of 2024, to 60% by 2030. The Bank is committed to providing climate finance of USD 4 billion by 2030 as part of its target announced in 2024.

TSKB views sustainability risks, particularly those related to the climate crisis, as opportunities, thanks to its comprehensive assessment and monitoring processes and the strong contribution of human capital with advanced sustainable finance expertise.


As of the end of 2024, TSKB has signed agreements for a source of USD 1.1 billion, which has not yet been drawn, focusing on renewable energy, circular economy, earthquake recovery, and women's employment themes.

Capitals

FINANCIAL CAPITAL

Besides lending in these areas, the Bank focuses on investment banking, advisory services, and synergies with its subsidiaries to tap into these areas and expand its reach. In the coming period, TSKB will continue its multidimensional contribution and impact through its initial investments in the Türkiye Green Fund and the advisory services it intends to expand to help transition to a low-carbon economy. The total size of the Türkiye Green Fund, the first loan-financed venture capital investment fund focused on emission reduction and inclusive transformation in Türkiye and globally, is expected to reach USD 405 million.

TSKB's goal is to increase its effectiveness in its sustainability focus, both directly and through its subsidiaries, by increasingly leveraging its expertise and business capabilities, and to increase the contribution of its sustainability activities to its consolidated financial performance.

Loan allocation, loan portfolio management, and monitoring activities

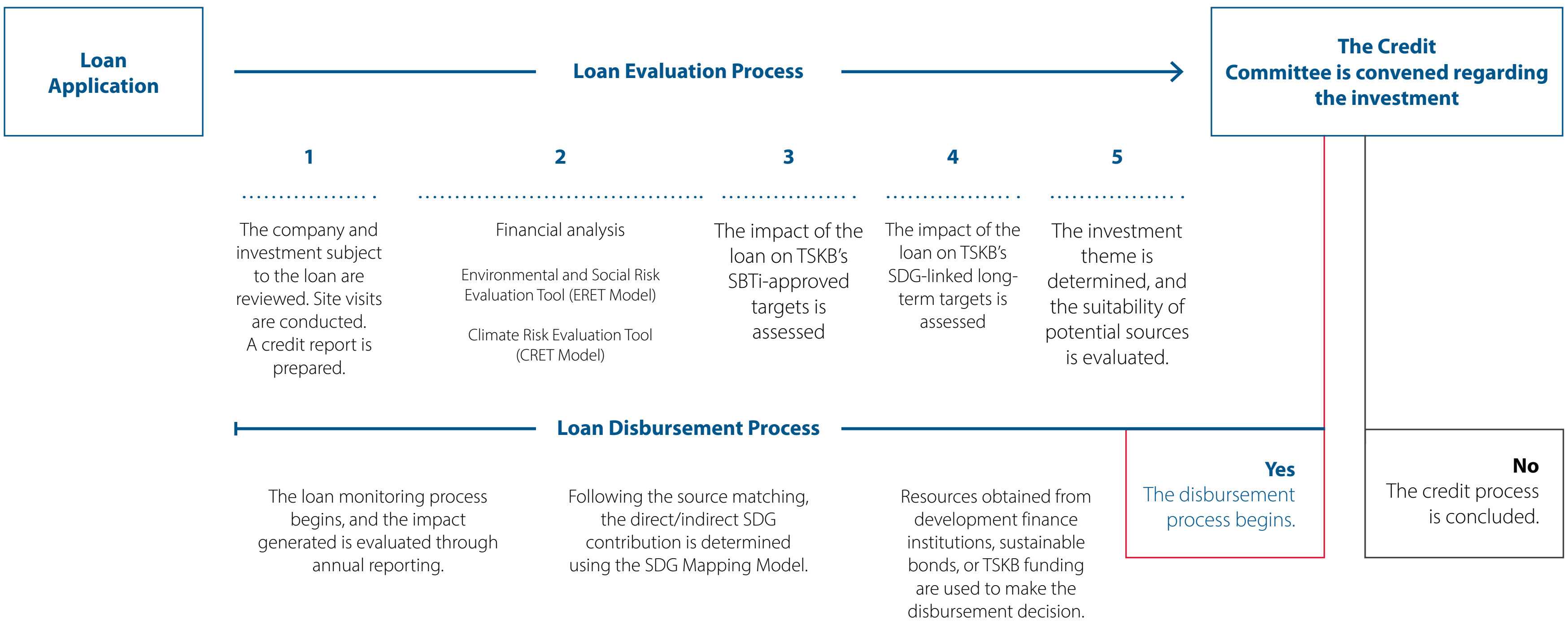
The selection of companies and projects to be financed by TSKB is made from a comprehensive and prudent perspective of the allocation and monitoring functions, which contributes to the sustainability of the high quality of the loan portfolio. The projects undergo a rigorous evaluation in the Bank based on impartial, comprehensive, and in-depth analyses carried out by financial analysts, sector experts, and engineers.

The majority of the loans provided by the Bank to companies for investments and working capital financing are denominated in foreign currency. To this end, it is vital for companies to generate income and funds in foreign currency.

An important part of TSKB's loan portfolio consists of energy project loans, which are expected to retain their strategic importance. These projects create a natural hedging mechanism and increase the efficiency and solvency of the projects to a high level through the existence of guaranteed prices in foreign currency and additional incentives for local components. Projects not included in this scope are evaluated using the Bank's electricity price modelling. In addition, the fact that the majority of the non-energy companies in the portfolio are exporters or can generate foreign currency-denominated revenues helps ensure that TSKB's loan portfolio is composed of companies that can manage currency risk.

At TSKB, the monitoring functions are conducted in two areas: holistic monitoring activities on a portfolio basis and individual monitoring activities on a credit customer basis.

Integration of Environmental, Social, and Governance Factors into Loan Analysis



Capitals

FINANCIAL CAPITAL

In 2023, the Loan Portfolio Management and Analysis Department was established to effectively manage the risks to which the Bank is and may be exposed in its lending activities, to monitor the portfolio holistically, and to take the necessary measures. In the same year, the Loan Portfolio Management Committee was established to routinely evaluate the Bank's loan portfolio as a whole in terms of credit risk and to review the loan quality of the portfolio, in particular, changes in stages and provisioning ratios. Results and anomalies identified through sector and portfolio-based analysis are evaluated by this committee.

TSKB conducts private sector reporting, currency risk measurement, debt service coverage and related collateral monitoring, and rating scenarios to provide input and insight into all credit activities.

The management of environmental, social, and climate risks and opportunities integrated into lending processes is monitored through the Bank's ERET, CRET, and SDG Mapping Model and reported to senior management at the Credit Committee. The Climate Change and Sustainability Management Department, established in February, has been integrated into the process, in addition to the Engineering team, which is part of the lending process with its project-based assessments, to monitor compliance with the Bank's commitments and targets.

Through the effective management of the loan portfolio, the Bank's ratio of Stage 2 loans declined to 6.8 percent, while the ratio of Stage 3 loans remained at 2.2 percent at the end of the year. The Bank continued to maintain prudent levels of provisioning for Stage 2 and Stage 3 loans, with one of the highest provisioning ratios in the industry. As of year-end, the provision ratios for Stage 2 and Stage 3 loans were 34.1% and 87.6%, respectively. More than 95% of Stage 3 loans consist of loans to companies that are still operating. As of the end of 2024, the total free provision amount of the Bank will be TL 2.05 billion.

While the restructuring ratio for Stage 3 loans based on end-of-year cash exposure was around 95 %, this ratio was 98 % for the total of Stage 2 and Stage 3 loans based on end-of-year cash exposure.

The year-end Stage 3 loan ratio for 2024 was 2.2%, and the target for 2025 is to have a Stage 3 loan ratio below 2.5% and a net cost of risk less than 75 basis points, with no material change in asset quality.

Close collaboration with development finance institutions

As one of the most recognized Turkish banks in the international financial markets, funding from development finance institutions (DFIs) accounted for 61% of TSKB's funding structure in the reporting period. 83% of these funds were obtained under the guarantee of the Treasury and Finance Ministry of the Republic of Türkiye.

TSKB works in close cooperation with development finance institutions, including International Bank for Reconstruction and Development (IBRD), European Investment Bank (EIB), German Development Bank (KfW), Asian Infrastructure Investment Bank (AIIB), Islamic Development Bank (IsDB), French Development Agency (AFD), China Development Bank (CDB), Council of Europe Development Bank (CEB), Japan Bank for International Cooperation (JBIC), International Finance Corporation (IFC), European Bank for Reconstruction and Development (EBRD), Austrian Development Bank (OeEB), as well as the International Islamic Trade Finance Corporation (ITFC) and the Italian Public Development Bank (CDP), which were added in 2024.

With the signing of the loan agreements with IsDB and ITFC for the financing of projects and investments in support of economic recovery and social rehabilitation in the provinces affected by the earthquakes in Türkiye on 6 February 2023, Islamic banking practices have been incorporated into the value creation model. The Advisory Committee is consulted to monitor the compliance of the interest-free banking products offered within TSKB with the applicable legislation and the relevant provisions of Islamic law. The Advisory Committee Report is available on page 202.

The Loan Portfolio Management Committee was established to routinely evaluate the Bank's loan portfolio as a whole in terms of credit risk and to review the loan quality of the portfolio, in particular, changes in stages and provisioning ratios.

Collaborations with Development Finance Institutions

Capitals

FINANCIAL CAPITAL

IBRD Project on Accelerating Market Transition for Distributed Energy in Türkiye
On 16 May 2024, TSKB signed a loan agreement with the World Bank (IBRD) under the guarantee of the Ministry of Treasury and Finance for the project on "Accelerating Market Transition for Distributed Energy in Türkiye". The agreement aims to facilitate the financing of prosumer investments by the private sector in Türkiye for distributed solar projects and battery electricity storage systems.

Under this loan agreement, loans of EUR 300 million from the IBRD and USD 15 million from the Clean Technology Fund (CTF) through the IBRD, as well as a USD 1.5 million grant from the Energy Sector Management Assistance Program (ESMAP), were provided.

AFD and CDP Earthquake Loans
On 17 July 2024, loan agreements were signed with the French Development Agency (AFD) and the Italian Public Development Bank (CDP) for a total of EUR 100 million to be provided under a parallel co-financing structure. This funding is a first in Türkiye, provided under JEFIC -Joint European Financiers for International Cooperation- with EUR 50 million from AFD and EUR 50 million from CDP.

The funds will be used to finance green investments of companies that were affected by the earthquake in February 2023 in the eastern and southeastern regions of Türkiye. This loan agreement is the first collaboration between TSKB and CDP and was secured through the Italian Climate Fund, which CDP is responsible for managing. AFD funding is used to finance companies impacted by the recent earthquakes, with a focus on financing investments in key areas such as renewable energy, energy efficiency, adaptation, and the circular economy.

ITFC Loan
On 7 August 2024, TSKB secured USD 50 million in funding from the International Islamic Trade Finance Corporation (ITFC), a member of the Islamic Development Bank Group. The goal of the loan is to finance the working capital and pre-import and pre-export requirements of private sector companies across Türkiye, mainly those directly or indirectly affected by the earthquakes that took place in the eastern and southeastern regions on 6 February 2023, to boost economic vitality in the region. This agreement is the first collaboration between the two institutions.

EBRD GEFF II Loans
On 16 October 2024, TSKB signed a second loan agreement with EBRD for EUR 100 million to support green economy investments in Türkiye under the Green Economy Financing Facility (GEFF). The loan's objective is to provide financing for environmentally sustainable investments in energy efficiency, renewable energy, and climate resilience measures, with a particular focus on ensuring that gender equality criteria are met.

IFC Women's Employment Loan
On 24 December 2024, TSKB entered into a new USD 100 million loan agreement with the International Finance Corporation (IFC), a member of the World Bank Group. This loan agreement is designed to provide financial support to women-inclusive businesses in Türkiye that adhere to specific gender equality standards. This agreement builds upon the initial women's employment-themed loan agreement that was signed with the IFC in 2022. The goal of this funding is to promote gender equality through businesses and investments in Türkiye, including in the earthquake-affected regions, to integrate women into the workforce and increase their access to the labor market.

Long-Term Funds Provided by TSKB in 2020-2024

	Loan	Amount	Maturity (Years)
2020	Eurobond	USD 400 million	5
	AIIB - COVID-19 Loan	USD 200 million	4
2021	Sustainable Eurobond	USD 350 million	5
	IBRD - Geothermal Development Project - Additional Financing Loan	USD 150 million	28
2022	JBIC GREEN 2	USD 220 million	12
	IFC Women Employment	USD 100 million	3
	EBRD GEFF	EUR 53,5 million	3
	AIIB - Sustainable Energy and Infrastructure Loan	USD 200 million	15
	AFD - Circular Economy Loan	EUR 80 million	12
2023	KfW - Climate Financing Loan	EUR 100 million	15
	OeEB - Renewable Energy, Energy Efficiency Loan	EUR 25 million	12
	IBRD - Türkiye Green Fund	USD 155 million	28
	JBIC Earthquake Loan	USD 200 million	12
	IsDB Earthquake Loan	USD 100 million	10
	Sustainable Eurobond	USD 300 million	5
2024	IBRD - Distributed SPP (DIRECT & APEX)	EUR 300 million	29
	IBRD (CTF) - Battery Energy Storage Systems	USD 15 million	30
	AFD & CDP - Earthquake - Climate	EUR 100 million	12
	ITFC - Earthquake	USD 50 million	2
	EBRD - GEFF II	EUR 100 million	5
	IFC Women Employment	USD 100 million	3

Capitals

FINANCIAL CAPITAL

TSKB- APEX Loans Key Indicators

Program Name	Year	Agreement Amount	Number of Companies Using the Loans	Current Status of the Program
SME (Women's Employment and Prioritized Regions)				
Access to Inclusive Finance Project Loan (IncA2F)	2024	USD 65 million	20	In Progress
Access to Inclusive Finance Project Loan (IncA2F)	2018	USD 200 million	453	Completed
SMEs and Export Support				
Access to Innovative Finance Project Loan (IA2F)	2014	USD 250 million	231	Completed
Export Support				
EFIL IV Additional Loan	2011	USD 300 million	137	Completed
EFIL IV	2008	USD 300 million	133	Completed
EFIL III	2005	USD 305 million	168	Completed
EFIL II	2004	USD 303 million	211	Completed
SMEs				
TSKB SOURCE*	2017	EUR 150 million	340	In Progress
AKKB V APEX	2016	EUR 100 million	960	Completed
AKKB IV APEX	2013	EUR 100 million	416	Completed
AKKB III APEX	2010	EUR 100 million**	223	Completed
KfW APEX	2004	EUR 7.7 million	54	Completed
EIB APEX	2005	EUR 150 million	343	Completed

*Re-utilization of repaid loans

**EUR 90.9 million of the agreement amount was utilized as APEX.

Strong relationships with international financial institutions

In 2024, TSKB continued to work closely with domestic and foreign financial institutions, collaborating to diversify its funding sources and develop sustainability-oriented products. The Bank communicated frequently and effectively with credit rating agencies for the same purpose.

Significant emphasis was placed on relations and communication with international banks to support the foreign trade and correspondent banking requirements of clients during the reporting period. In light of prevailing macroeconomic and geopolitical developments, TSKB prioritized maintaining and increasing its existing credit lines. Contacts have been made to establish new banking relationships and lines of credit.

10 years of experience in the international bond issuance market

TSKB issued Samurai Bonds in Japanese capital markets in the 1980s, developed and launched bank bond applications in 1985, and carried out its first international capital market issuance 10 years ago in October 2014, and has so far completed a total of 8 Eurobond issuances. The Bank was a pioneer in our country, region, and the world with its sustainable bond issuances in 2016 and 2017.

In parallel with the improvement in investor appetite, 2024 saw record issuance from Türkiye. TSKB raised USD 815 million from international capital markets during this period. The USD 300 million perpetual Eurobond issued in March with a call option in the fifth year was structured as Additional Tier 1 Capital, a first for the Bank. In October, TSKB issued its 10th conventional (senior unsecured) Eurobond for USD 350 million with a maturity of 5 years.

The Bank also completed nine transactions in 2024 for a total of USD 165 million in the private placement market, where it has been active since the last quarter of 2023.

As of the end of 2024, the share of Eurobond issues in the total liabilities of TSKB, excluding shareholders' equity, amounted to 22%, and their volume amounted to USD 1.1 billion.

Above industry average syndicated loan roll-over ratio

TSKB renewed its syndicated loan facility with a maturity date of July 2024 at a rollover ratio of 155%, which is above the industry average. Fourteen banks from 11 different countries, including four new banks, participated in the USD 190 million loan agreement, which consists of two tranches of EUR 129.7 million and USD 48.6 million.

10 years in international bond markets

- **October 2014** First bond issuance in international capital markets
- **May 2016** First Sustainable Finance Framework
- **May 2016** First Sustainable/Green Bond issuance in the CEEMEA region and Türkiye
- **March 2017** World's first Basel-III compliant Sustainable Tier-2 Bond issuance
- **May 2017** Türkiye's first Allocation and Impact Reporting
- **December 2020** Updated Sustainable Finance Framework with an expanded scope
- **January 2021** Third Sustainable Bond issuance
- **September 2023** Fourth Sustainable Bond issuance
- **March 2024** First Additional Tier-I issuance
- **October 2024** 10th Eurobond issuance in our 10th year in international capital markets
- **July 2024** Updated Sustainable Finance Framework with the integration of Transition Finance

Capitals

FINANCIAL CAPITAL

Funds provided through bilateral borrowings
TSKB aims to strengthen its existing bilateral relations with domestic and foreign financial institutions and to continue to developing new ones. In 2024, three different bilateral financing transactions, including a trade finance-based structure, totaling approximately USD 50 million, were executed. The Bank will continue its efforts in the development of innovative products and the diversification of its funding sources with international financial institutions, which are among its long-term stakeholders.

TSKB adopts proactive treasury management
Market volatility caused by global protectionist policies, as well as disinflationary policies in Türkiye, were effectively managed according to risk policies. TSKB enabled its clients to protect themselves against financial risks through the treasury products it offered.

In summary, the Bank's effective liquidity management and market risk oversight, which differentiate it from commercial banks, helped prevent volatility from adversely affecting its balance sheet, and its focus on financial returns in securities and money markets contributed significantly to profitability.

In 2025, the Bank will continue to closely monitor market developments, accurately assess risks and opportunities, and maintain proactive balance sheet management focused on optimizing assets and liabilities.

A busy year in investment banking activities
TSKB helps companies grow and develop by providing them with Corporate Finance. The Bank offers clients IPO preparation and placement, debt issuance intermediation, particularly sukuk and bonds, mergers and acquisitions, asset sales and purchases, and privatization advisory.

One of the major developments in 2024 was the establishment of the Türkiye Green Fund. The Fund, which has been launched to contribute to the green transformation of companies and to significantly support Türkiye's Net Zero goal in 2053, is aiming to invest in more than one company in 2025. The Fund aims to make a positive contribution to innovative green transformation while taking an egalitarian approach to supporting women's access to finance.

The first half of 2024 was quite productive for IPOs, driven by increased risk appetite among domestic investors and the 7.5 million additional retail investors who entered the market since early 2020 and took an active role in equity transactions. In the second half of the year, the number of investors and IPOs declined significantly.

On the other hand, in line with their objective to diversify their funding sources, real sector companies have recently increased their issuance of debt securities.

In 2024, TSKB successfully completed the IPOs of Mogan Energy (TL 3 billion), Odine Technology (TL 1.3 billion), Altınay Defense Technologies (TL 1.9 billion) and Hareket Taşımacılık (TL 1.7 billion).

In 2024, TSKB successfully completed the IPOs of Mogan Energy (TL 3 billion), Odine Technology (TL 1.3 billion), Altınay Defense Technologies (TL 1.9 billion) and Hareket Taşımacılık (TL 1.7 billion).

During the period, the Bank arranged the 727-day bond issue of Türkiye's largest industrial company, Türkiye Petrol Rafinerileri A.Ş. (TÜPRAŞ) with a record-setting transaction. This was the largest bond issue by a real sector company in Türkiye with a nominal value of TL 4 billion.

TSKB successfully completed the sale of 90 percent of the shares of Çinigaz Doğalgaz Dağıtım Sanayi ve Ticaret A.Ş. to Sel-Tan İnşaat Ticaret ve Sanayi A.Ş., for which TSKB acted as the financial advisor to the buyer during the reporting period. This transaction was another example of TSKB's strategic support to companies in the energy sector and contributed to the expansion of Sel-Tan İnşaat's operations in Kütahya province.

Click here for TSKB's 2024 valuation and 2025 forecasts for its investment banking operations.

Added value generated by advisory
TSKB manages its knowledge and experience in economics, finance, and engineering effectively and qualitatively by providing advisory. The Bank operates through three departments to transform its experience into economic benefits and diversify its income: Advisory Services Sales, Economic Research, and Financial and Technical Advisory.

In line with its strategic objectives, TSKB aims to be a long-term business and solution partner to its clients through its advisory services and to have an impact on sustainable development beyond its lending activities.

Details on advisory services, which are one of the core business lines of the Bank, are available in the Intellectual and Manufactured Capital section.

YATIRIM FİNANSMAN

Yatırım Finansman Menkul Değerler A.Ş. (Yatırım Finansman), Türkiye's first capital market institution, was established on 15 October 1976 with the participation of 13 major banks under the leadership of Türkiye İş Bankası and TSKB. TSKB holds a 95.78% equity stake in Yatırım Finansman.

The first stock brokerage house in Türkiye leading the sector
In 2024, Yatırım Finansman has achieved its goals of providing a satisfactory rate of return to its investors, clients, and stakeholders in line with the principle of responsible profitability.

Yatırım Finansman, which provides services through 13 service points across Türkiye, is one of the most preferred and leading brokerage houses in the sector, with equity of over TL 933 million and client assets of over TL 75.4 billion in 2024.

New brand identity for Yatırım Finansman
Yatırım Finansman, the first stock brokerage house in Türkiye, revamped its corporate identity and logo with a modern touch to reflect its dynamism and diversity. Yatırım Finansman uses three different shades of blue in its logo to reflect its business culture, which combines experience, knowledge and ethical growth.

As part of its commitment to sponsoring sports and the arts for the benefit of society, the Company has become the jersey sponsor of the National Amputee Soccer Team, the pride of our country, having previously won the World and European Championships.

It became the show sponsor of Müfettişler (Inspectors), the opening play of the 28th Istanbul Theater Festival organized by İKSV.

Türkiye's first children's book about the stock market, "Orman Borsası" (Forest Stock Market), was written by journalist Pınar Erbaş and sponsored by Yatırım Finansman to attract investors of all ages to the capital markets and raise awareness about financial literacy in Türkiye.

Hybrid growth model with digitalization
Yatırım Finansman's Customer-Centric Digital Transformation plan, launched in 2022, aims to ensure that customers are served through the right channel, in addition to value-added benefits such as increasing customer satisfaction and loyalty, improving sales force effectiveness, and ensuring resource efficiency. The company implemented a hybrid growth model through digitization, dividing its existing customers into two main segments to be served by digital and branch services.

To strengthen this model, Yatırım Finansman continued its efforts to increase digital efficiency, offering customers a customizable investment experience and developing a new mobile application, YaFi, which allow all transactions from a single platform in 2024.

During the reporting period, the Company completed the redesign of its corporate website, which features a modern and user-friendly design and whose infrastructure has been developed according to the dynamics of digital marketing. The Call Center was developed to manage customer communications in a professional call management discipline and to keep digital customer satisfaction at the highest level with the new service model.

As part of the synergistic cooperation established with its main partner, İşbank, the Bank completed its efforts to launch "Becoming a YF Customer with İşbank Information" and "Simple Funds Transfer from İşCep and İşbank Internet Bank to Yatırım Finansman" on digital channels.

Capitals

FINANCIAL CAPITAL

Pioneering applications in investments
Yatırım Finansman offers reliable and fast access to capital markets to domestic and foreign individual and institutional investors through its branch network and online and mobile applications as part of its status as a broadly authorized brokerage company.

Investors benefit from YFTRADE, YFTRADEMOBILE, and YFTRADEINT trading platforms developed by Yatırım Finansman, as well as the YF FACE-TO-FACE application for opening online accounts, by conducting secure, intermediary-free transactions in both domestic and foreign markets. These transactions can be performed using portable or desktop computers, as well as next-generation smart devices, allowing flexibility regardless of time and location.

Yatırım Finansman, a partner of TSKB in various investment banking projects, will continue to offer a range of financial products and instruments suitable for customers within the asset management sector, particularly in the equity and futures markets. The company aims to transform investments into earnings by expanding its customer base in 2025.

Collaborations raising awareness for financial literacy
In 2024, Yatırım Finansman convened with investors in person in Istanbul, Izmir, Antalya, Denizli, Samsun, and Bursa. The meetings, attended by 2131 people, were designed to strengthen investor financial literacy and equip them with the necessary skills to make informed investment decisions.

In 2024, a total of 46 online seminars were held as part of the Investor's Guide to Finance training series with Prof. Dr. Hakkı Öztürk, with each seminar lasting 5 hours. Similarly, 4 online seminars of 4 hours each were held on from A to Z Algorithmic Operations with Kıvanç Özbilgiç.

TSKB REIT

TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. (TSKB REIT) is a real estate investment company established in 2006 and owned 88.61% by TSKB. Its objective is to create and develop a strong real estate portfolio.

TSKB REIT is a capital market institution that invests in real estate, real estate projects, rights related to real estate and capital market instruments, enters into ordinary partnerships for the implementation of specific projects, and conducts other activities permitted by the applicable communiqué of the CMB.

Consistent, transparent, quality, customer-oriented set of values
TSKB REIT's investment strategy focuses on growth through project development, sustainability, and risk management, and its core values include consistency, transparency, quality, social responsibility, customer focus, and teamwork.

Established with an initial capital of TL 10 million, the company's capital was increased to TL 650 million in 2021. TSKB REIT's assets reached approximately TL 5.3 billion, and the rentable area under its management reached approximately 65,000 sqm as of 31 December 2024.

As of the end of 2024, TSKB REIT's real estate portfolio includes Pendorya Shopping Mall in Pendik, Istanbul, with a closed area of approximately 80,648 sqm and a rentable area of 30,573 sqm, inaugurated on 17 December 2009, two office buildings with a closed area of 17,827 sqm in Fındıklı, Istanbul, Tahir Han in Karaköy, Istanbul, Divan Adana Hotel in the center of Adana, opened in September 2015, and 50% ownership of its independent spaces.

Efforts to increase rental income and diversify the portfolio
Increasing existing rental income and diversifying the portfolio are among TSKB REIT's investment strategies. The Company will continue to work on increasing the occupancy rate and rental income of Pendorya Shopping Mall in 2025, and as such it will increase the profitability of Divan Adana Hotel by leveraging its competitive advantage in its region.

TSKB GAYRİMENKUL DEĞERLEME

TSKB Gayrimenkul Değerleme A.Ş., was established in November 2002. In February 2003, the Company was included in the list of "Real Estate Appraisal Institutions" by the Capital Markets Board and became one of the first institutions to hold a CMB license.

TSKB Gayrimenkul Değerleme is one of the first companies in Türkiye to receive the internationally recognized Royal Institute of Chartered Surveyors (RICS) certificate. It is also authorized by the BRSA to provide "Appraisal of Real Estate, Real Estate Projects or Rights and Benefits Attached to Real Estate" services.

With its visionary consulting services, the company guides both domestic and foreign investors on how to take the right and sound steps in real estate investments. TSKB Gayrimenkul Değerleme, with its extensive service network spanning all geographical regions of Türkiye, aims to strategically, innovation-oriented, and sustainably respond to the structural transformation of the real estate sector and evolving user preferences. The company's experienced and expert staff, which grows stronger by the day, will enable these objectives to be achieved.

Focused on developing its knowledge and skills, collaborating with leading international organizations, and keeping abreast of innovations in its field, the company has conducted appraisal in 28 different countries abroad.

Details are available in the Intellectual and Manufactured Capital section.

ESCARUS

Escarus (TSKB Sürdürülebilirlik Danışmanlığı A.Ş.) commenced operations in April 2011, with a mission to integrate globally recognized international environmental and sustainable approaches into the Turkish business community. This is achieved through the expertise of its seasoned professionals, who are dedicated to strengthening sustainable development, a core mission of the Bank, in the field of consultancy.

Escarus's operations are divided into three primary areas: "Strategic Sustainability," "Operational Sustainability," and "Research, Reporting, and Training." Escarus specializes in designing and implementing high-value consultancy solutions across a wide range of areas, including sustainability management systems and strategies, sustainable finance, resource and energy efficiency, climate risk management, carbon-water management, and various non-financial reporting such as sustainability reports and gender equality, particularly in critical sectors such as energy, finance, construction, and manufacturing.

Escarus also conducts in-depth research and consults on specific themes, including the European Green Deal, the Emissions Trading System, carbon markets, and the Borsa Istanbul Sustainability Index. It caters to industries with significant potential for transformation in various domains, such as providing services that align with national and international legislation and regulations, developing comprehensive clean production strategies, and facilitating the preparation for ratings. In addition to its advisory role, it has a proven track record in various sectors with its "guiding" approach in the post-project implementation phase.

You can find detailed information in the Intellectual and Manufactured Capital section about Escarus, which is one of the institutions authorized by the Ministry of Trade to provide consulting services for the Responsible Program launched by the Ministry of Trade as part of the European Union Green Deal Harmonization Project, including its collaborations with relevant Ministries and development finance institutions.

Company	Industry	Capital (TL million)	TSKB's Share (%)	Website
İş Faktoring A.Ş.	Finance	150	21.75	www.isfaktoring.com.tr
İş Finansal Kiralama A.Ş.	Finance	695.3	29.46	www.isleasing.com.tr
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Finance	74.7	16.67	www.isgirisim.com.tr

Capitals

FINANCIAL CAPITAL

TSKB Stock Performance in 2024

TSKB's market capitalization is TL 34.2 billion
TSKB, one of the pioneering institutions in the formation of capital markets in Türkiye, went public in 1986.

The TSKB shares, traded in the Star Market of BIST 100 with the "TSKB" ticker in 2024, continued to maintain their position in the BIST Corporate Governance and BIST Sustainability Index during the reporting period.

The Bank's stock traded with an average volume of 26 million shares in 2024. It closed the year with a market capitalization of TL 34.2 billion (USD 972 million). TSKB's stock performance outperformed the Bank Index and BIST-100 during the year, concluding 2024 at a level surpassing all indices.

The Bank continued to actively inform and develop its equity and bond investor base during the reporting period. Four teleconference meetings were held to present quarterly financial results to investors and analysts. A total of 160 meetings and interviews were completed. This includes four investor relations conferences in Türkiye and other international locations, virtual roadshow meetings held before bond issuances, and meetings focused on portfolio management companies. Investors' information requests were addressed in both verbally and in writing.

As part of its investor relations activities, TSKB will continue to expand our outreach to domestic and international investor communities, including ESG and impact investors.

	2021	2022	2023	2024
TSKB Share Closing Price (TL)	1.44	4.37	6.55	12.22
Change (%)	17.5	203.5	49.9	86.6
BIST Bank Index	1.558	5.028	8.717	14.555
Change (%)**	2.4	215.1	71.7	66.97
BIST 100 Index	1.858	5.509	7.470	9.831
Change (%)**	25.8	196.6	36.4	31.6
Relative Return to BIST Bank Index	-19.5	- 3.7	-13.6	11.7

Source: Finnet
*Retrospective closing prices are adjusted for cash dividends and bonus issue capital increase after the related dates.
**Change compared to the beginning of the year

ASSESSMENT OF FINANCIAL POSITION, PROFITABILITY, SOLVENCY, AND FINANCIAL RESULTS IN 2024

In 2024, TSKB's asset size increased by 30.7% in TL terms to TL 231.3 billion. 21.9% of the Bank's assets are denominated in Turkish Lira (TL) and 78.1% in Foreign Currency (FX). The ratio of the Bank's interest-earning assets to total assets is 90%.

In 2024, TSKB disbursed a total of USD 2 billion in cash loans, both long and short-term, as part of its Corporate Banking, Project Finance, and APEX Banking activities. In line with the Bank's funding structure, 91.3% of loans are denominated in FX.

In 2024, the cash loan portfolio experienced a 27.9% growth to TL 166.4 billion, marking an 11.6% increase on a FX-adjusted basis. As of the end of 2024, gross loans constituted 72% of total assets.

Almost 75% of the Bank's loans are investment loans, 16% are working capital loans, and the rest are APEX and other loans. The composition of loans in different currencies, including those indexed to foreign exchange rates, reveals that 49.8% of loans are denominated in USD, 41.8% are in EUR, and 8.3% are in TL.

Notably, 92% of the total loan portfolio is comprised of loans associated with the SDGs, with 58% specifically targeting climate and environmental SDGs.

In 2024, investments in the financial sector stood out with a share of 16% in loans disbursed. The financial sector was followed by the energy generation sector with 15% and the metal and machinery sector with 14%. The sectoral breakdown of the loan portfolio as of year-end indicates that 32% of loans were allocated to the energy generation sector, 9% to the financial sector, and 9% to the metal and machinery sector. Electricity and gas distribution, tourism, logistics, textiles, construction, and chemicals and plastics sectors follow them, accounting for between 4-7% of the portfolio.

The share of NPLs in total loans, which was 3.0% at the end of 2023, was 2.2% at the end of 2024. The ratio of Stage 2 loans to the total portfolio was 6.8%. As of the close of 2024, the provision ratio stood at 34.1% for Stage 2 loans and 87.5% for Stage 3 loans. The net cost of risk adjusted for FX effect was -60 bps.

The total size of the securities portfolio, which is the second largest asset class after loans, grew by 52.4% year-on-year to TL 42.9 billion. As of year-end, 55% of the securities portfolio was denominated in TL. Securities measured at fair value through other comprehensive income account for 55.2% of this portion, while securities measured at amortized cost account for 44.8%.

A comparison of the beginning and end of the year reveals a decline in the share of inflation-indexed securities in the TL portfolio, from 72% to 47%. The average maturity of the TL portfolio, which is fully funded by free equity, is 3.4 years.

FX liabilities make up 84% of the liabilities side of the balance sheet, in line with the asset composition. The majority of these loans are denominated in foreign currencies and are medium to long-term funds obtained from international lenders. 50% of the funds on the balance sheet were borrowed with the guarantee of the Ministry of Treasury and Finance of the Republic of Türkiye.

Assets and liabilities are managed efficiently, taking into account that he borrowing and placement interest rates in TSKB's asset and liability balance are mainly variable, and the maturity of borrowings is longer than the placements, which distinguishes it from the banking sector, ensuring that the interest rates and liquidity level meet the minimum statutory ratios.

TSKB's income statement indicates that net interest income for 2024 increased by 47.6% to approximately TL 15.1 billion. The Bank's year-end net interest margin was 6.3%.

TSKB's fee and commission income, a significant player in the capital markets with a growing product range of advisory activities, increased by 13.4% in 2024, driven by the rise in investment banking revenues.

On the other hand, total employee and other operating expenses rose by 85.1% to TL 2,146.8 million. In parallel, the expense/income ratio rose from 9.4% to 13.8%.

The total expenditure for aid and social responsibility projects during the year amounted to TL 4.9 million.

TSKB's income statement indicates that net interest income for 2024 increased by 47.6% to approximately TL 15.1 billion. The Bank's year-end net interest margin was 6.3%.

TSKB's profit before provisions and taxes increased by 47.2% to TL 13.7 billion, and net profit for the period increased by 43.9% to TL 10.1 billion in 2024. In 2024, the return on equity was 38.5%. The Bank's shareholders' equity increased by 51.7% year-on-year, reaching TL 32.5 billion, and accounted for 14% of total liabilities.

As of the end of 2024, the Bank's capital adequacy ratio was 26.9%. The ratios excluding BRSA temporary measures were 21.8%, 20.6%, and 15.4%, respectively.

These ratios are well above the statutory limits and support TSKB's growth strategy.

Capitals

NATURAL CAPITAL

We are aware that the ecosystem crisis is a significant challenge that impacts our environment, lifestyle, and the way we conduct business, and that we carry an important responsibility in this context. The way to tackle this unprecedented crisis is to engage in activities that support sustainable development in collaboration with our stakeholders. With a financing strategy focused on triple transformation, including a nature-positive approach, TSKB will continue to shape the future of development, just as it has in the past.

This section is prepared in compliance with Turkiye Sustainability Reporting Standards (TSRS) Climate-related Disclosures (TSRS 2).

The governance aspect of risks and opportunities related to sustainability, including climate risks and opportunities, is presented in the Sustainability Governance section on page 54.

Capitals

NATURAL CAPITAL

2024 TARGETS AND REALIZATIONS

Target	Realization
Capacity building for 16 clients within the scope of Circular Economy financing by implementing the Circularity Self-Assessment Tool	The Self-Assessment Tool was applied to 21 companies in 2024.
To Carry out studies on TSKB Circular Economy Strategic Plan	Studies for the Circular Economy Strategic Plan were carried out with the consultant, and the business plan and actions for the upcoming period have been determined.
While continuing to work on the development of methodologies and criteria to effectively monitor the GHG emissions of companies operating in carbon-intensive sectors in our portfolio, we will increase the share of loans with measured emissions in the total portfolio.	The measured emissions covered 15.5% of the loan portfolio in 2023. This value increased to 35.4% in 2024.
To provide capacity development by conducting gap analyses within the scope of the Carbon Border Adjustment Mechanism	Companies were questioned about CBAM reporting activities, and embedded emission values were requested for portfolio risk forecast.
To maintain the pioneering reporting approach by following best practices and internationally recognized standards and to publish an integrated annual report in compliance with TSRS in 2025.	In 2024, TSRS was thoroughly analyzed, and since the CDP reporting process, preparations for the 2024 Integrated Report have been carried out in compliance with the standards.
To carry out infrastructure work to define the technical screening criteria in the loan application in accordance with the BRSA Green Asset Ratio Communiqué, which is expected to come into force in the coming period.	Feasibility studies have been conducted, and the Bank's portfolio has been reviewed. The software process will begin following the publication of the communiqué in the Official Gazette.
In the light of local and global regulations, particularly the Draft Guidelines on Effective Management of Climate-Related Financial Risks by Banks, to continue to work on the governance, measurement and financialization of climate risks, as well as stress tests and scenario analyses related to these risks	Capacity development continued throughout the year: Current situation analysis and scenario planning Stress tests focusing on transition and physical risks: the impact of CBAM on the loan portfolio and customer payment capabilities Water stress analysis
To act in line with the principles of the Zero Waste Directive of the Ministry of the Environment, Urbanization and Climate Change and raising awareness within the Bank	With the initiatives launched in 2022, operations are carried out in accordance with the Zero Waste Regulation.

2025 TARGETS

Target
To continue efforts to define technical screening criteria for loan implementation in accordance with the upcoming Türkiye Green Taxonomy Regulation and the BDDK Green Asset Ratio Communiqué, as well as conducting portfolio analysis
To continue working on the governance, measurement, and financialization of climate risks, including stress testing and scenario analysis, in light of national and global regulations, such as the Draft Guidance on the Effective Management of Climate-Related Financial Risks by Banks
To continue developing capacity by conducting gap analyses within the framework of the Border Carbon Adjustment Mechanism
To organize informational meetings with affiliates, subsidiaries, and clients in light of TSRS 2 Climate-Related Financial Disclosures
By following best practices and internationally recognized standards, to maintain a leading reporting approach and strive for further development in future integrated annual reports, ensuring alignment with TSRS compliance
To conduct internal rating processes with a climate risk management perspective incorporated into the loan process
To continue working on the TSKB Circular Economy Strategic Plan
To build technical capacity related to nature and biodiversity in order to develop policies
To continue efforts to develop methodologies and criteria to effectively monitor greenhouse gas emissions of companies operating in carbon-intensive sectors within the portfolio, and increase the share of loans included in the financed emissions calculations within the total portfolio
To develop capacity by becoming a signatory of PCAF
To expand the scope of embedded emission calculations
To evaluate carbon pricing practices in managing portfolio risks within the loan processes

Capitals

NATURAL CAPITAL

STRATEGY

TSKB continues its operations with the mission of contributing to Türkiye's inclusive and sustainable development. In the 1980s, TSKB pioneered integrating environmental factors into the loan evaluation processes for the first time. In the 1990s, the Bank took its sustainable finance approach further by starting to disburse environmental loans.

The Bank's Environmental Management System, the foundations of which were laid in 2005, evolved into the Sustainability Management System.

TSKB's Sustainability Policy is central to its sustainability vision. This policy is supported by 10 different complementary policies.

The Environmental and Social Impact Management Policy and the Climate Change Mitigation and Adaptation Policy are the cornerstones of the Bank's environmental risk management strategy and address environmental risks, in particular climate risks, in a holistic manner.

TSKB's CLIMATE JOURNEY

2008

- Commencement of the implementation of the Zero Carbon Banking Principles
- Türkiye's first carbon neutral bank in operational activities
- First Sustainability Report published

2009

- The first Turkish bank to become a member of the United Nations Environment Programme Finance Initiative (UNEP FI) The start of meeting the bank building's electricity needs from renewable energy sources

2016

- Publication of the Climate Change Declaration

2018

- Founding signatory of the UNEP FI Principles for Responsible Banking

2022

- Implementation of the Climate Risk Evaluation Tool (CRET) for all loans
- Signatory of the Net-Zero Banking Alliance (NZBA)

2023

- SBTi approval for emission targets
- Setting interim targets for 2030 in line with the Net-Zero Banking framework
- Participation in the UNEP FI 2023 Climate Risk and TCFD Program
- Inclusion of climate risks in the Bank's Risk Catalogue

2024

- Commitment to phasing out coal by 2035
- 2023 Climate Report in line with IFRS S2
- Hosting the IDFC Steering Committee Meetingl
- Revision of the Climate Change Mitigation and Adaptation Policy

2012

- The first Turkish bank to receive ISO 14064 Certification

2013

- Publication of the first CDP Climate Change Report

2015

- Signatory of the International Development Finance Club (IDFC) Climate Declaration

2020

- Establishment of the Climate Risk Working Group
- Participation in the TCFD Phase 2 Banking Pilot Program
- Finance in Common Summit; Becoming a signatory of the Declarations on Sustainable and Resilient Global Recovery, Biodiversity, Gender Equality, and Women's Empowerment
- Publication of the first "Ecosystem Report" series by TSKB Economic Research

2021

- Supporter of TCFD and participation in the UNEP FI TCFD Phase 3 Banking Pilot Program
- Publication of the Climate Change Mitigation and Adaptation Policy
- Publication of the first Climate Risk Report in the Turkish financial sector in line with TCFD Recommendations
- Commitment to not finance investments in greenfield coal-fired thermal power plants and coal mining for electricity generation

2030

- The target of USD 10 billion USD (TL 350 billion) in sustainable financing from 2021 to 2030
- The target of 4 billion USD (140 billion TRY) in climate-related financing between 2024-2030
- 100% renewable energy usage for Scope 2 emissions by 2030
- In line with the interim targets set under NZBA

A reduction in emission intensity of:

- 73.6% in the Electricity Generation sector (Project Financing)
- 73.7% in the Electricity Generation sector (Corporate Loans)
- 53% in the Commercial Real Estate sector (Corporate Loans)

2035

In line with the targets set under SBTi:

- A 63% reduction in Scope 1 emissions by 2035

A reduction in emission intensity of:

- 85.6% in the Electricity Generation sector (Project Financing)
- 85.7% in the Electricity Generation sector (Corporate Loans)
- 71% in the Commercial Real Estate sector (Corporate Loans)
- Phase out from coal

2050

Achieving the net-zero target

Capitals

NATURAL CAPITAL

TSKB aims to maintain the ratio of climate and environment focused SDG-linked loans in its loan portfolio at 60% and above by the end of 2030, and has set a target of providing USD 4 billion in climate finance by 2030.

TSKB updated its Climate Change Mitigation and Adaptation Policy in January 2024 and announced that it will not finance any further capacity expansion investments in coal-fired thermal power plants, greenfield coal-fired thermal power plants, and coal mining investments for electricity generation. The Bank has committed to phasing out all coal financing by 2035 and manages its portfolio in alignment with its net-zero target in the context of its Net-Zero Banking Alliance (NZBA) signatory status and within the framework of emission reduction targets approved by the Science Based Targets Initiative (SBTi).

The Bank has set a target of keeping the proportion of climate and environment focused SDG-linked loans in its loan portfolio at or above 60% by the end of 2030 and providing USD 4 billion (TL 140 billion) of climate finance by 2030 in line with its climate strategy under the SDG Mapping Model presented in the Financial Capital section.

The Bank's funding structure is mainly sourced from development finance institutions on a long-term basis, while its loan portfolio focuses on renewable energy, energy efficiency, resource efficiency, and the circular economy.

In its role as a leader in sustainability, TSKB is committed to raising awareness of climate risks and opportunities among its stakeholders. The Bank encourages these stakeholders to take proactive measures and supports the integration of climate risks and opportunities into business plans. The Bank's client governance prioritizes addressing clients' additional financing and advisory needs. It also emphasizes adopting clean technologies alongside sector development and focuses on companies' capabilities to manage their emissions and climate risks. TSKB places significant emphasis on diversifying its financing resources, particularly in climate financing, through a sector-specific approach.

Transition Financing

As part of the transition finance integrated into TSKB's updated Sustainable Finance Framework, the Bank will be able to finance green investments of high-emitting sectors with publicly disclosed metrics, in alignment with a climate transition strategy consistent with the national strategy or scientific studies, and emission reduction targets in line with the Paris Agreement and/or national roadmaps.

A second-party opinion was received from Sustainalytics on the framework document prepared by TSKB, which is one of the first in the world and aligns with the International Capital Markets Association (ICMA) Climate Transition Finance Handbook. Please click here to review the Framework Document.

Adaptation Theme

In addition to supporting mitigation investments to address climate change, consideration should be given to damages caused by extreme weather events, and emphasis should be placed on adaptation investments to minimize damages caused by the physical risks of climate change.

Investing in adaptation is essential for safeguarding human lives and livelihoods and for maintaining ecosystems. This approach enhances adaptive capacity and resilience globally, serving as a pivotal solution to address climate change.

As outlined in the 12th National Development Plan and the 2024-2030 Climate Change Adaptation Strategy and Action Plan, various resilient agricultural, industrial, and infrastructure projects are needed to adapt to climate change across the country.

These projects include nature-based solutions such as the construction of flood walls in flood-prone areas, research into the development of drought-resistant crops, and investments to combat deforestation.

TSKB encourages the development of these projects and the gradual increase of the share of private sector financing in adaptation financing in the coming period, in line with its vision of sustainable development.

The Bank is particularly focused on financing adaptation projects in the industrial and commercial sectors, including projects involving water management and agricultural practices. TSKB aims to increase its share of adaptation financing in the coming period by creating new loan packages with international financial institutions to encourage investors.

Future Focal Area: Biodiversity

TSKB has been working on environmental and social impact assessment, climate risk management, greenhouse gas mitigation, and climate adaptation for years and regularly reports on its progress in these areas.

The environmental, social, and climate risk assessment tools developed, the TCFD-compliant climate risk report for 2021 and 2023, and the GHG reduction targets approved by the SBTi, including financed emissions, demonstrate TSKB's commitment to these issues.

The impact of loans disbursed by TSKB on biodiversity at the project level is carefully considered through existing environmental and social assessment procedures. TSKB aims to treat biodiversity as a strategic focal area. The Declaration on Conservation of Biodiversity, signed by the Bank at the Finance in Common Summit organized under the leadership of the IDFC, demonstrates TSKB's commitment to biodiversity along with other participating development banks.

As an IDFC member until 2027, TSKB will continue its efforts to support the post-2020 Global Biodiversity Framework and actively participate in the IDFC Biodiversity Working Group.

TSKB is still at the stage of capacity building, strategy formulation, and implementation of a comprehensive biodiversity policy. The Bank closely follows initiatives such as the Task Force on Nature-Related Financial Disclosures (TNFD), which assesses nature-related dependencies, impacts, risks, and opportunities, and GRI 101: Biodiversity 2024, which is based on transparency principles.

TSKB aims to take its sustainability vision to new levels in the coming period by focusing on opportunities to finance nature-based solutions and nature-positive projects.

This strategic initiative will bolster TSKB's commitment to generating both environmental and social value, aligning with global efforts to safeguard and enhance nature within the financial sector.

Aligning the Portfolio with the 2050 Net Zero Target

In 2022, TSKB became a signatory of the Net-Zero Banking Alliance established by UNEP FI and committed to achieving net-zero emissions by 2050. TSKB worked on its science-based targets in this direction and formulated Near-Term Science Based Targets encompassing Scope 1, 2, and 3 emissions, adhering to SBTi guidelines.

SBTi approved the Scope 3 targets in July 2023, encompassing 70% of the Bank's loan and investment portfolio, amounting to 53% of the Bank's total assets as of the selected base year of 2021.

As part of its commitment to net-zero emissions, TSKB, a signatory of the NZBA, has announced its interim sectoral emission reduction targets for 2030 in its 2023 Climate Report.

TSKB plans to set targets for other carbon-intensive sectors in 2025. The performance figures for 2024 under the targets are presented on page 127.

Capitals

NATURAL CAPITAL

The targets designed in alignment with SBTi and NZBA guidelines were approved by TSKB's Board of Directors and integrated into the Bank's strategy. Accordingly, the impact of the loans disbursed by TSKB on the targets is evaluated on a project and company basis and reported to the Credit Committee.

This issue is included as a separate item on the agenda of the committee and in addition to its impact on the loan decision, it also provides an assessment of customers' decarbonization plans. In addition to loan evaluation processes, SBTi scores are calculated monthly. These scores are analyzed in line with projections, and the Bank's progress towards achieving SBTi targets and NZBA interim targets is assessed.

TSKB assesses how climate change may affect the financial system and banking activities and takes the necessary steps to manage these risks.

Transition Plan

The Bank evaluates its performance by taking into account the reporting elements shared by the NZBA as recommendations under the net zero commitment and formulates action plans based on the results of the gap analysis. These disclosures, which constitute a transition plan, are also supported by reporting recommendations issued by the Transition Plan Taskforce.

Emission Baseline and Annual Emission Profile

TSKB has been calculating, reporting, and transparently disclosing its emissions to the public in compliance with international greenhouse gas reporting standards since 2021.

The calculation of financed emissions is based on the PCAF methodology. At present, emissions calculations cover 35.4% of the loan portfolio and 91% of carbon-intensive sectors. Efforts are underway to refine the data quality of the loan and investment portfolio and expand the scope of the calculation of greenhouse gas emissions.

The absolute emissions and emission intensities of the real estate and electricity generation sectors are monitored for the carbon-intensive sectors in TSKB's portfolio.

Absolute emissions are calculated for the aluminum, cement, iron and steel, and transport sectors. Studies for production-based emission intensity calculations are ongoing.

TSKB transparently discloses the absolute emissions and emission intensities of all sectors in its loan portfolio in this report. As such, the measurement methods, metrics, asset classes included in the calculations, scope and limits used in the calculation of portfolio emissions are also disclosed.

Targets

TSKB's decarbonization targets for the electricity generation sector align with SBTi's 1.5°C Scenario, and the target for the real estate sector aligns with the IEA ETP B2DS* scenario. SBTi-approved science-based targets were used as the basis for the NZBA mid-term targets. The NZBA first phase interim targets, the base year of the targets, and the scenario methodologies used were disclosed to the public for the first time in the 2023 Climate Report.

Target Scope

Interim targets were announced for the electricity generation and real estate sectors, which are among the carbon-intensive sectors in TSKB's portfolio. It is planned to announce targets for other carbon-intensive sectors in the portfolio in 2025, taking into account their level of materiality.

Decarbonization targets for the electricity generation and real estate sectors only cover lending activities. In the upcoming period, evaluations will be conducted to include investment banking activities in addition to lending activities, taking into account the criteria of materiality and access to meaningful data.

Since the SBTi guidelines do not include short-term loans of less than one year and there are no specific SBTi guidelines for SMEs, short-term loans and SMEs have been excluded from the target scope.

Efforts are underway to improve data quality to expand the scope of the target. Companies in TSKB's portfolio directly involved in the coal activities are thermal power

*International Energy Agency Energy Technology Perspectives Beyond 2°C Scenario plants, which generate electricity from coal. These plants are within the scope of the Bank's target scope. The absolute emissions and production-based emission intensity values from these companies are disclosed to the public both within the electricity generation portfolio and under the coal sector.

TSKB has committed to discontinuing the financing of greenfield coal-fired thermal power plants and coal mining investments for electricity generation purposes. By the end of 2035, TSKB aims to completely phase out its involvement in the coal sector, ceasing all exposure to coal operations within its performing loan portfolio.

TSKB continues to work on the inclusion of companies that generate more than 5% of their revenues directly from coal-related activities as part of its SBTi and NZBA commitments.

Transition Plan

TSKB has initiated its transition plan with the publication of the 2023 Climate Report, outlining the strategic actions to be taken to achieve its objectives.

The 2035 National Energy Plan underscores Türkiye's renewable energy installed capacity target and the necessary investment and financing for wind and solar power plants.

The Bank currently finances around 15% of Türkiye's renewable installed capacity. The Bank intends to align its portfolio with the national targets established to achieve the electricity sector's emission intensity targets.

Similarly, targets for other carbon-intensive sectors in the portfolio will be set in line with low-carbon roadmaps.

The table illustrating TSKB's adherence to the Transition Plan Reporting Framework, as outlined by the Transition Plan Taskforce, is given on page 238.

Other Matters

TSKB's SBTi and NZBA targets were approved by the Sustainability Committee at the Board level. The achievement of targets is regularly reported to senior management through the Sustainability Committee and the Sustainability Management Committee.

Targets will be reviewed and revised, if necessary, when 4 years have elapsed since the interim targets were announced. In the event of material changes that could jeopardize the relevance and consistency of existing targets, they will be recalculated and revised.

Excluding financed emissions, TSKB's direct and indirect emissions are offset by purchasing Gold Standard-certified carbon credits on an annual basis. As part of its net-zero commitment, the Bank plans to reduce its greenhouse gas emissions as much as possible by 2050 and in cases where reducing them to zero is not feasible, it aims to balance its emissions by purchasing carbon credits.

NZBA interim targets were set and reviewed before 22 April 2024. The updated Guiding Principles V2 document will be used to set new targets and review existing ones.

Climate Risks and Opportunities

TSKB assesses the financial impact of potential climate-related risks and opportunities in the short, medium, and long term, manages its business activities in the light of this information, and, where necessary, takes preventive measures. Identifying, assessing, and monitoring climate-related risks and opportunities results from the Bank's integration of these risks and opportunities into its core strategy.

The results obtained with the Climate Risk Evaluation Tool (CRET), applied to all loans, are analyzed monthly by the Credit Revision Committee using the heat map and incorporated into decision-making. It is aimed to closely monitor the risks and opportunities associated with climate change and to increase the climate resilience of the portfolio. In addition, the monitoring of these risks and opportunities plays an important role in lending decisions, as they are directly linked to the Bank's targets under the SBTi and the NZBA. The Bank's commitment to phase out coal financing by the end of 2035, in line with its 2050 net-zero emissions target, is a prominent strategic decision in climate risk management at the portfolio level.

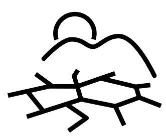
Capitals

NATURAL CAPITAL

Physical Risks

Physical risk arises from the potential physical impacts of climate change on an organization's assets, operations, workforce, supply chain, and markets. These risks can arise from sudden events (acute) or from long-term changes in climate (chronic). They can, therefore, have short, medium, and long-term impacts. The table below summarizes some of the climate-related hazards that can cause chronic and acute risks.

Acute Physical Risks	Chronic Physical Risks
Heat Waves Landslide Wildfires Heavy Rainfall and Flooding Heavy Winds	Average Temperature Increase Water Stress Rising Sea Levels Meteorological Drought



Transition Risks

Transition risks refer to the potential risks arising from the transition to a low-carbon economy. This may involve changes in policies, regulatory regimes, technological innovations, and market changes to meet the needs for mitigation and adaptation to climate change. Transition risks can arise that pose varying degrees of financial and reputational risk to organizations depending on the nature, pace, and focus of these changes.

Policy and Legal Risks: Arise from continuously evolving policy actions aimed at reducing the negative effects of climate change or promoting adaptation. They can also stem from litigation or legal risks.

Technology Risk: Technological innovations supporting the transition to a lower-carbon and energy-efficient system can significantly impact organizations by replacing outdated systems.

Market Risk: Concerns potential changes in the supply and demand for specific commodities, products, and services.

Reputation Risks: Stem from changing customer and societal perceptions regarding the organization's role in the transition to a low-carbon economy or how it may harm this transition.

The stress test and scenario analyses conducted to identify risks and opportunities indicate that transition risks are concentrated in sectors that are included in the CBAM scope, and physical risks are concentrated on water stress-related risks, especially in water-dependent sectors.

In terms of transition risks, the increasing demand for investments in renewable energy and energy efficiency and the need for technological change, as well as the expectation that investments will be concentrated in these areas, were considered as opportunities. Similarly, opportunities on the physical risk side emphasize investments in water and resource efficiency as part of adaptation.

It is concluded that transitional risks can negatively impact net sale revenues by increasing costs, while physical risks can cause production disruptions due to water stress and harm turnover.

The Bank defines the impact of sustainability risks and opportunities, including climate-related risks and opportunities, on its operations, strategy, and financial structure in the short, medium, and long terms used in its strategy and projections.

Term Descriptions	Description
Short <1 year	The Bank defines short-term as a period of up to 1 year. The Bank monitors its targets set in line with its medium and long-term strategy monthly. It repeats its scenario analysis of sustainability risks and opportunities, including climate change, on an annual basis. TSKB continuously monitors its portfolio to identify early and incorporate into its business plan any non-compliance that may affect its performance or resilience from an environmental, social, and climate risk management perspective.
Medium 1-5 years	The Bank defines medium-term as a period between 1 to 5 years. The Bank is taking strategic steps to adapt to acute physical risks and new regulations while assessing climate and sustainability risks over the 1-5 year horizon. Developments in national and international legislation, which are expected to come into force rapidly in the coming period, are expected to impact the country's economy in the medium term. Accordingly, the Bank should closely monitor developments, adapt its strategy, and continue to support Türkiye's sustainable and inclusive development. Accordingly, the Bank participates actively in national and international initiatives, contributes to relevant studies, and helps shape future plans.
Long 5 years<	The Bank defines long term as a period of 5 years or more. With the commitment it announced as a signatory to the NZBA in 2022, TSKB aims to achieve zero emissions from its own operational activities while aligning its portfolio towards net zero emissions and is formulating its strategy and setting targets accordingly. This is a critical time when strategic steps can be taken to help achieve SBTi-approved near term emissions-reduction targets and realize SDG-linked loan disbursement targets. A long-term strategy is essential both to mitigate sustainability risks, including climate change, and to take advantage of the opportunities that are part of the transformation process. Negotiations with development finance institutions and international financial institutions, which are among the Bank's most important stakeholders, are also carried out accordingly.

Capitals

NATURAL CAPITAL

The risks and opportunities identified by TSKB are listed in the tables. The risks and opportunities that have a significant financial or strategic impact on the performance of the Bank are separated. Key risks and opportunities are identified using the Bank's environmental, social, and climate change risk assessment tools - ERET and CRET - and the heat map methodology.

CLIMATE RISKS TABLE

	Type	Description	Action	Term	Materiality
Risks in Direct Operations	**Physical**	Each year, Türkiye experiences an increasing number of extreme weather events. These incidents serve as a stark reminder of the escalating frequency and severity of physical risks. The physical risks to which TSKB is and may be exposed include floods, storms, heat waves, and sea level rise due to the location of its headquarters. As the headquarters building is also used by subsidiaries, the risk is assessed on a consolidated basis.	TSKB has developed emergency and contingency plans for climate events such as extreme rainfall, floods, and droughts. These plans cover all of TSKB's service buildings. The efforts to improve the business continuity and resilience of the Bank are being carried out under the coordination of the Business Continuity Management Committee and the Department for Building Operations and Administrative Affairs. In addition, as part of a strategic business continuity decision, activities at the Ankara campus were expanded in 2023. This helped to reduce the Bank's and its subsidiaries' exposure to potential physical risks.	**Medium / Long**	**Insignificant**
	Transition	The obligations that the Bank will face as a result of the gradual development, deepening, and widening of new climate-related regulations in the national and international arena are evaluated. When the direct transition risks are analyzed, the carbon credit costs associated with neutralizing our greenhouse gas emissions in voluntary carbon markets since 2008 are a key consideration. The increase in greenhouse gas emissions resulting from the Bank and its subsidiaries' use of natural resources, vehicle use, business travel, etc., may create transition risk.	It is planned to continue buying carbon credits for offset emissions, excluding financed emissions in the future; however, the associated costs do not pose a significant risk when compared to the Bank's asset size. In addition, in line with the targets it has set before SBTi, TSKB pledged to reduce Scope 1 emissions by 63% by 2035 and eliminate Scope 2 greenhouse gas emissions by providing 100% of its campus electricity from I-REC certified renewable energy sources. As part of the SMS, the Bank regularly monitors and reports all GHG emissions arising from its operations according to the ISO 14064 Greenhouse Gas Calculation and Verification Management System. For the first time this year, TSKB has calculated Scope 1 and Scope 2 emissions on a consolidated basis. In the coming period, it will conduct consolidated studies by including its subsidiaries in the emissions management plan.	**Medium / Long**	**Insignificant**

	Type	Description	Action	Term	Materiality
Risks in the Value Chain*	Physical	2024 was the hottest year on record according to Copernicus, the EU's climate service. The energy, manufacturing, mining, power distribution, and logistics sectors are expected to be adversely affected by increases in global average air and water temperatures, particularly extreme weather events such as floods, wildfires, and storms. Rising average air temperatures are expected to reduce labor productivity, especially in labor-intensive sectors where work is performed outdoors (agriculture, construction, mining, etc.).	TSKB has incorporated physical climate risks into all loan evaluation procedures. TSKB uses local and global data platforms and assessment tools related to physical climate risks for loan evaluations. To quantify these risks, the IPCC RCP 4.5 and 8.5 scenarios included in the CRET model are first used. The Bank recognizes that climate risks can harm workforce productivity and closely monitors developments and research in this area. In addition, as part of its environmental and social evaluation process, it collects information on companies' labor management practices and incorporates it into its evaluations.	**Medium / Long**	**Insignificant**
		Water stress, identified as a prominent climate risk for Türkiye, poses a significant concern for the Bank's portfolio, particularly in water-intensive sectors such as food and beverages, textiles, thermal power plants, cement, mining, and automotive. Additionally, hydroelectric power plants may also be affected by water stress. Companies operating in these water-dependent sectors may face operational disruptions in the event of water stress. The anticipated increase in frequency and severity of extreme weather events may also negatively impact companies' operations.	TSKB assesses the negative impacts of climate change on water resources when evaluating loans. The Bank carries out stress tests on the companies in its portfolio that are in water-intensive sectors and tests the changes in the debt repayment capacity of the companies under different scenarios. The results of the assessment are the exposure of the companies, and projection studies have been conducted on how and to what extent this exposure has an impact on the financial performance of the bank. Accordingly, the climate resilience of the 2024 year-end portfolio was tested through scenario analysis. The financial impact of climate risks from water stress is projected to become significant in the medium term as a result of the scenario analysis presented on page 113, which is also based on the results of the RCP 8.5 scenario. Through this analysis, the Bank also discloses its plans to increase its resilience to the related risk.	**Medium / Long**	**Significant**
	Transition	Efforts are underway in Türkiye to enact the Climate Law and the Emissions Trading System Regulation, with expectations for their imminent implementation. The Carbon Border Adjustment Mechanism (CBAM), an extension of the European Union (EU) Green Deal that came into effect on October 1, 2023, will carry financial implications for companies in sectors such as aluminum, cement, iron and steel, electricity, hydrogen, and fertilizers, which export to the EU, by 2026. Both regulations are anticipated to impose carbon costs on firms operating in the covered sectors, resulting in elevated operational and investment expenses.	The Bank evaluates the effects of the CBAM on the loan portfolio and measures the risk resilience of customers through stress tests. TSKB measures the adaptation capacities of its portfolio to the risks they may face during the transition to a low-carbon economy with the CRET model it has developed. These measurements revealed that the sectors facing high transition risks in TSKB's portfolio are iron-steel, cement, fertilizer, and aluminum, which are also covered by the CBAM. The Bank conducted a scenario analysis using the Net Zero 2050 scenario to measure the CBAM risk and resilience in its portfolio as of year-end 2024. According to the results of the analysis, which are presented in detail on page 112, the financial effects of the CBAM on the portfolio are expected to become significant in the medium term, although no significant effects are expected in the early years of the financial obligations. The Bank aims to address uncertainties regarding the scope of the national ETS expected in the coming period by prioritizing stress testing in this area to enhance its resilience to climate risks.	**Medium / Long**	**Significant**

*TSKB's climate-related risks occur in the downstream direction of its loan portfolio within the value chain.

Capitals

NATURAL CAPITAL

CLIMATE OPPORTUNITIES TABLE

	Type	Description	Action	Term	Materiality
Opportunities in Direct Operations	**Transition**	The Bank can reduce its emissions by obtaining the electricity it needs from renewable sources. Thus, it acts in compliance with its emission reduction commitments.	TSKB will continue to meet its electricity needs from I-REC-certified power plants. Continuing with this practice is also important for achieving the targets set before SBTi regarding Scope 2 emissions. On the other hand, although the headquarters building is shared with its subsidiaries, there are plans to consolidate the subsidiaries' branches shortly, and opportunities for the direct use of renewable energy will be evaluated.	**Short / Medium**	**Insignificant**
		Business travel may decrease as remote working practices and the technology infrastructure to support them increase. This technological transformation will allow the Bank to further reduce its greenhouse gas emissions.	During the pandemic, the practice of holding most meetings online was adopted. This reduced greenhouse gas emissions from transportation. The hybrid working model currently used by TSKB and its subsidiaries is also expected to play an important role in this reduction.	**Short / Medium**	**Insignificant**
Opportunities in the Value Chain*	**Physical and Transition**	Climate change, the effects of which have been on the rise in recent years, is predicted to be a major cause of physical damage in the world and in Türkiye in the future. It is, therefore, important to raise awareness and help build the capacity of real sector companies to manage this risk.	As part of its sustainable development mission, TSKB raises the issue of transition and physical climate risks in its discussions with clients, intending to raise awareness and provide financial support where investment needs are identified. The CRET model, which the Bank applies to both investment and working capital loans, measures the level of a company's preparedness for climate risks and is used as an indicator for action recommendations. In addition, the subsidiary Escarus works with the real sector and public institutions through the sustainability consulting services it offers, raising awareness and building capacity in the country. TSKB Real Estate Appraisal, which has expertise in energy efficiency and green buildings, one of its focus areas, has also expanded its business model to include green building appraisal services. It is expected that the range of value creation opportunities for subsidiaries in this direction will be expanded in the coming period. The impact of this opportunity factor is covered in the scenario analysis on pages 112 and 113.	**Short / Medium / Long**	**Significant**

*TSKB's climate-related opportunities arise in the downstream direction of its loan portfolio and the upstream direction of its funding structure within the value chain.

	Type	Description	Action	Term	Materiality
Opportunities in the Value Chain*	**Physical**	Extreme weather events, which have increased in recent years due to climate change, will require public and private sector investments in infrastructure, retrofitting, and efficiency. It is assessed that a significant amount of financing will be required to ensure compliance and take precautions and that companies will make costly investments in this area.	TSKB plans to support the investment plans and needs of companies in the context of adaptation to climate change through various financing instruments together with funds to be raised from international sources. It plans to continue working to develop adaptation and to continue working with international financial institutions on it. The Bank conducted a scenario analysis to measure the water risk of its portfolio companies in 2024, including not only risks but also opportunities and current and projected future impacts on the Bank's business model and value chain. The analysis, details of which can be found on page 113, shows that the companies in the portfolio are in need of some investments to minimize the physical impact of climate risks, which is also an opportunity for TSKB and its subsidiaries.	**Medium / Long**	**Significant**
	Transition	Companies in high-emission sectors are likely to need financing for the transition to low-carbon technologies through green transformation. Raising awareness of risks and opportunities, encouraging early action, and helping companies integrate these risks/opportunities into their business plans are important.	As national and international regulations have introduced stricter measures for high-emission sectors, some companies will have to make investments, including technology changes, to avoid additional costs associated with carbon and other greenhouse gas reductions. The Bank's response to the financing needs of enterprises in this context is an activity that is in line with the Bank's mission as a development bank. The Bank has also taken into account the opportunities that may arise as a result of the scenario analysis for the measurement of CBAM risk in its portfolio in 2024. The analysis, the results of which can be found on page 112, shows that demand for emissions-reducing investments in transitioning to a low-carbon economy, particularly renewable energy and energy efficiency, is expected to increase. The steps to be taken in this regard will create a variety of opportunities for TSKB and its subsidiaries, including consulting projects.	**Medium / Long**	**Significant**

*TSKB's climate-related opportunities arise in the downstream direction of its loan portfolio and the upstream direction of its funding structure within the value chain.

Capitals

NATURAL CAPITAL

	Type	Description	Action	Term	Materiality
Opportunities in the Value Chain*	**Transition**	The Bank will be able to capitalize on opportunities related to green transformation and the low-carbon economy by collaborating with funders to promote sustainability. These strategic partnerships enable the Bank to effectively manage the risks and opportunities associated with climate change and to contribute to its long-term sustainability targets. In addition, the development of strategies that are in line with the focus of the donors will support the bank in the achievement of its financial targets.	The Bank designs its business plans and strategies to focus on green transformation and transitioning to a low-carbon economy. As a result, approximately 80% of its financing structure involves agreements with a sustainability theme. Among the funders are the international development finance institutions and the financial institutions, which are an important part of the value chain. The Bank works with these institutions to effectively manage climate risks and opportunities and develops strategies that align with national policies and client needs. These collaborations offer the Bank medium- and long-term climate-related opportunities, provide a concrete indicator of its commitment to sustainability, and contribute to global sustainability targets aligned with financial objectives. The impact of this opportunity factor, which we have taken into account in our mid-term targets, can be seen in the scenario analyses on pages 112 and 113.	**Short / Medium / Long**	**Significant**

*TSKB's climate-related opportunities arise in the downstream direction of its loan portfolio and the upstream direction of its funding structure within the value chain.

Financial Materiality and Climate Resilience

To manage climate-related risks and capitalize on opportunities, TSKB considers climate and environmental impacts, dependencies, and linkages between risks and opportunities as a whole. To this end, it prioritizes risks and opportunities with significant financial or strategic impact when responding to risks, adapting to developments, and creating opportunities. TSKB identifies all sustainability-related risks and opportunities that could reasonably be expected to affect the Bank's future financial viability, defining a material financial or strategic impact as one that could cause a significant operational, financial, or strategic change in the Bank's business.

As a result of analysis by the Risk Management, Budget Planning, and Climate Change and Sustainability Management departments, an impact equal to 3% of the Bank's Tier 1 capital, as approved by senior management, has been determined to be material. The threshold for a material impact is calculated yearly when making projections, and the materiality of the relevant risks and opportunities is determined for each year. Risks and opportunities that may have a material impact are subject to assessment and monitoring within limits and in accordance with the risk policy. The material impact threshold is a function of capital levels and other regulatory thresholds that may be subject to change over time. The material impact threshold is reviewed and updated regularly, at least once a year, taking into account a variety of business factors.

The likelihood and magnitude of the risks and opportunities are analyzed in the short term, the medium term, and the long term. TSKB assesses short, medium, and long-term risks and opportunities by analyzing the physical and transition risks in its loan portfolio according to the TCFD guidelines of the IFRS Foundation.

The ERET model analyzes the environmental and social risks of projects and provides data for the Bank's credit rating system, while the CRET model assesses the climate risks of the projects financed at an early stage and ensures that they are taken into account in the lending decisions. TSKB's risk catalog defines climate risk by treating it together with other types of risk and ensures that compliance with the catalog is maintained through regular processes.

TSKB carries out its activities as a development and investment bank at its Istanbul Head Office and Ankara Development Base. The Bank has no retail banking activities and does not have a branch network. This structure allows for managing physical risks in operational activities more effectively. On the other hand, analyses made for these two locations indicate that potential physical risks remain below the threshold level of material impact.

Funders, a key player in the TSKB value chain, consist of development finance institutions and international financial institutions. The Bank has entered into resource agreements with these institutions to address sustainability issues, including managing climate risks and opportunities, and is turning this area into an opportunity by developing collaborations that align with both national policies and client needs in the upcoming period. In addition, the Bank collaborates with the real sector and public institutions through Escarus sustainability consulting services, a part of its value chain, and contributes to the raising of awareness in the country.

Due to the nature of its business model, TSKB's main sphere of influence is its loan portfolio.[1] The loan portfolio analysis conducted based on the heatmap methodology was also supported by the CRET model, by the end of the year, the portfolio's exposure to physical and transition risks was assessed from a consolidated perspective. Physical and transition risk categories with material financial or strategic impact were identified, taking into account the sectoral distribution of the Bank's portfolio.

The 2024 assessments revealed that the main transitional and physical risks that will significantly impact the loan portfolio include the Carbon Border Adjustment Mechanism (CBAM) and water stress.

Supporting clients' green transition and financing investments in climate change mitigation and adaptation are among TSKB's strategic focus areas, and these areas that are subject to risk are also considered opportunities. The risk and opportunity scenarios created are presented in the following section.

Portfolio Transition Risks and Opportunities

The EU, with which Türkiye shares close economic ties, aims to achieve climate neutrality by 2050. In line with this target, the EU aims to achieve stricter emission reduction policies and intends to encourage the countries it trades with to adopt greener production practices through the CBAM. The Emissions Trading System (ETS) and the CBAM aim to minimize carbon emissions, maintain competitiveness, and prevent carbon leakage.

[1] Downstream in the value chain

Capitals

NATURAL CAPITAL

The CBAM Regulation, published in May 2023, covers the iron and steel, cement, aluminum, fertilizer, electricity, and hydrogen sectors. The transition period for the CBAM started on 1 October 2023, during which importers are only expected to report emissions. Financial obligations will start in 2026.

Importers will incur a carbon fee for each ton of emissions exceeding the regulation's threshold. The year-over-year decrease in permitted emissions means that companies could face higher financial obligations.

In the event that the companies in TSKB's loan portfolio fail to incorporate the obligations arising from the CBAM into their business plans and strategies and fail to manage the risk effectively, the risk in question may be reflected primarily in the financial performance of the companies, thus increasing the severity of the impact on the Bank. In such cases, the Bank may increase its provisions for effective and prudent risk management. If, in response to this situation, the companies do not take action to eliminate the risk, which could affect profitability and asset quality, the Bank's cost of risk may increase, and its capital could be negatively affected.

According to 2024 data, the sectors in the Bank's portfolio that fall within the scope of CBAM are cement, iron and steel, aluminum, and fertilizer business lines, which have an 11% share in the portfolio. During the scenario analysis, clients in the relevant sectors were categorized according to the products they produce. Financial obligations to be incurred until 2034 were taken into account, and projections were made based on emission threshold values and the Net Zero 2050* scenario. The potential impact of the CBAM on companies' balance sheets was analyzed, taking into account their ratings and heat scores, which are affected by the targets set to reduce emissions, and its impact on the Bank was calculated.

Projections show that under a business-as-usual scenario with no additional measures, CBAM's impact on TSKB will exceed the materiality threshold by approximately USD 4 million (TL 140 million) by 2030. This will impact the expected credit losses in the consolidated balance sheet and the expected credit losses in the consolidated statement of profit or losses. The related risk did not have a significant impact on the Bank's financial performance in the current period.

In line with its development mission, TSKB closely monitors its investments and clients with internal environmental, social, and climate risk assessment models such as ERET and CRET and regularly performs environmental, social, and climate risk assessments throughout the credit processes starting from the decision phase. In addition, national and international developments are closely monitored, strong communication is established with clients, and companies are supported in green transition through TSKB Advisory Services and Escarus, a subsidiary specialized in sustainability consultancy, in fields where firms may require assistance and can show development during the process. Given that CBAM obligations will impact companies differently depending on their financial position, TSKB portfolio clients with strong financial positions and robust climate change strategies are expected to remain resilient to escalating CBAM regulations by investing to reduce and manage embedded emissions costs.

The financing needs of the companies that arise in line with the growing awareness and the defined action plans enhance the Bank's ability to respond to the relevant risks while at the same time creating an area of opportunity. The loans provided in this context will increase clients' capacity to comply with the CBAM and reduce the severity of the impact of risk on their balance sheets. This will have a positive impact on the Bank's capital and profitability by reducing the NPL ratio and net cost of risk.

TSKB provides loans focused on mitigating and adapting to climate risks such as energy and resource efficiency and circular economy to meet the financing needs of companies. Transition finance, introduced for the first time in Türkiye, was included in the Bank's Sustainable Finance Framework, which was updated in August. As of the end of 2024, 47% of lending to the CBAM sectors is aligned with these themes.

Approximately 80% of the Bank's funding structure (excluding the issuance of additional Tier 1 capital bonds) is sustainability-related, and increasing demand and changing client needs given the strategic focus of funders were instrumental in setting the target of providing USD 4 billion (TL 140 billion) in climate finance by the end of 2030. The loans provided with this target will strengthen TSKB's asset quality and have a positive impact on its net profit and capital. It is concluded that the net interest income from the related loans will exceed the materiality threshold by approximately USD 4 million (TL 140 million). With its dynamic business model in alignment with national policies, TSKB expects opportunities in this area to grow rapidly with expected public developments in the upcoming period. In particular, the expected regulations following the Climate Law, such as the National Green Taxonomy

*IEA Global Energy and Climate Model Documentation - 2023

As of YE-24, the sectors in the Bank's portfolio that fall within the scope of CBAM include cement, iron and steel, aluminum, and fertilizer, which together account for 11% of the portfolio. 47% of these loans are aligned with climate and environment-focused themes.

Regulation and the regulations for establishing an Emissions Trading System, will accelerate TSKB's effective evaluation of opportunities to cooperate with both existing portfolio companies and potential clients. The Bank, which had 58% climate and environment-focused SDG-related loans in its portfolio as of end-2024, aims to increase this ratio to 60% or more by 2030. The Bank may revise its targets accordingly, as it has done in the past, and set new targets for changing and developing focus areas. Developments in the ecosystem present an important opportunity for the Bank and its subsidiaries Escarus and TSKB Gayrimenkul Değerleme, which provide sustainability consultancy and green building appraisal services respectively, to expand their sphere of influence. The increase in revenues from subsidiaries will have a positive impact on the Bank's consolidated balance sheet.

Portfolio Physical Risks and Opportunities

Water stress is considered one of the major climate risks for Türkiye. Scenarios for the 2021-2040 and 2041-2060 periods based on the RCP 4.5 and RCP 8.5 scenarios show that Türkiye faces a high risk of water stress. Furthermore, water scarcity is expected to become significantly more widespread in Türkiye by the 2030s. In light of these issues, water stress is expected to have an impact on the companies in the Bank's portfolio in the medium term.

20% of the Bank's portfolio is in sectors that are operationally dependent on water. These include food and beverages, iron and steel, textiles, thermal and hydroelectric power plants, cement, mining, and automotive. If these sectors have difficulty accessing water, customers' production may be disrupted, or some companies may be forced to shut down. Customers who cannot continue their activities may have difficulty in repaying their loans. This may adversely affect profitability and capital adequacy by increasing the Bank's NPL and capital adequacy ratios, and, consequently, the cost of risk.

During the scenario analysis, water-dependent clients in TSKB's portfolio were categorized on a sectoral basis, and the potential rates of decline in their production due to water demand were determined. The assumptions made about potential declines in production were based on the outputs of the RCP 8.5 scenario, the credit ratings of companies, their roadmaps to cope with water stress, and the adaptation investments they have made or are planning. As indicated in RCP 8.5, water stress is expected to impact the financial performance of the Bank's portfolio over the medium term and is expected to be particularly pronounced by 2030.

Based on current conditions, the impact of water stress on the Bank is projected to exceed the materiality threshold by about USD 3 million (TL 105 million) by 2030. This will impact the expected credit losses in the consolidated balance sheet and the expected credit losses in the consolidated statement of profit or losses. The related risk did not have a significant impact on the financial performance in the current period.

Companies will be affected by water stress at different levels, depending on their financial position and the adaptation measures they have taken. The environmental, social, and climate risk assessment tools integrated into TSKB's credit processes thoroughly analyze clients' locations, sectors, and production processes to identify their environmental dependencies and resulting risks. The Bank assesses the circular business models of its clients with the Circular Economy Self-Assessment Tool developed as part of the loan agreement it secured in 2022 and supports their development with action plans determined as a result of gap analyses. Reducing water abstraction, circular use of water resources, and developing strategies to this end are among the action plans of the tool. Accordingly, clients seeking to improve their compliance capacity and transform their business processes are provided with technical support both through the Bank's in-house consultancy services and through Escarus, a subsidiary whose services include water management consultancy. In addition, clients' investments, such as wastewater recovery, rainwater harvesting, and water efficiency, are financed through adaptation loans, which are among the loan themes.

Capitals

NATURAL CAPITAL

Loans under the adaptation theme, which will be one of the Bank's main focuses in the future, will increase companies' ability to adapt to water stress and reduce operational risks arising from potential disruptions to their balance sheets. This will have a positive impact on the Bank's coverage ratio, NPL ratio, cost of risk, and return on equity, while supporting environmental sustainability through more efficient use of water resources.

The target announced by TSKB in 2024 to provide USD 4 billion (TL 140 billion) in climate finance by 2030 also covers the theme of adaptation. Analyses made in this regard indicate that the net interest revenues generated by the loans to be disbursed until 2030 will exceed the materiality threshold by approximately USD 2 million (TL 70 million). These loans, which support the Bank's profitability, will maintain asset quality and contribute positively to capital. Investments in the use of water-efficient techniques and technologies are expected to increase in the coming period with the Water Efficiency Regulation, which was published in the Official Gazette on 31 December 2024, in line with Türkiye's long-term climate strategy for 2053. TSKB, which had 58% climate and environment SDG-related loans in its portfolio at the end of 2024 and aims to increase this to 60% or more by 2030, will continue to finance projects that improve water efficiency and prioritize solutions that promote sustainable water management in industrial sectors. While assisting the industrial sector to comply with the regulation, long-term value will be created through the provision of awareness raising activities, technical guidance, sustainable financing tools, and consultancy services to increase the resilience of clients operating in sectors facing water stress.

RISK MANAGEMENT

TSKB adopts a banking model that develops solutions to combat climate change and promotes the transition to a low-carbon economy.

Adopting a banking model aimed at addressing climate change and facilitating the shift to a low-carbon economy, TSKB evaluates and manages credit, interest rate, liquidity, market, operational, strategic, reputational, and climate risks in all its activities within the limit of its risk appetite.

Risks arising from climate change are categorized as physical and transition risks and assessed within the framework of existing risks already defined by the Bank and included in the risk management processes. These risks can affect the financial sector both directly and indirectly through micro- and macroeconomic transmission channels, such as shifts in economic conditions, labor disruptions, fluctuations in prices, loss of income, and escalating costs.

Direct risks pertain to the impacts of climate change directly on the Bank's operations and activities, whereas indirect risks relate to the effects of climate change on the Bank's products, services, and existing portfolio. Climate risks can thus be transformed into financial risks. Given the investment loans that the Bank finances for the development of the country in line with its vision and mission, the main impact of climate change is expected to be on credit risk.

Climate risk management at the Bank begins with the Board of Directors and the Executive Board and extends to encompass all employees. The Executive Board promotes a strong risk culture that guides employees' risk-taking through an approved risk appetite statement that is aligned with the Bank's strategies. The Board of Directors oversees the Executive Committee in monitoring the integration of activities and managing risks and opportunities effectively.

TSKB adopts a banking model that develops solutions to combat climate change and promotes the transition to a low-carbon economy.

The Bank establishes the requirements for identifying, measuring, limiting, mitigating, and managing various risks, including climate risks, through its policies, procedures, and other guidelines when developing its risk management framework. The Bank's Risk Catalog includes the definition of climate risk and its relationship with other risk types. Risk measurements are made to evaluate adherence to the risk thresholds established for each risk category. These measurements ensure continuous compliance with risk appetite limits and policy requirements.

Climate risks are monitored according to sectoral concentration limits set by the Board of Directors. In addition, the Bank's risk management activities include a comprehensive and proactive assessment of the risks it may be exposed to, taking into account the possibility that climate change risks may become financial risks.

Climate Risk Management Framework

TSKB implements the climate risks framework in line with national and international best practices and principles defined in regulations.

Identification of Risk	Operating Environment	Business Strategy	Operational Structure
Climate risk refers to the economic, social, and environmental consequences of adverse impacts arising from climate change. These impacts may pose significant financial risks for financial institutions in the short, medium, and long term. Risks fall into two main categories: Physical Risks and Transition Risks	The Bank is aware of the climate risks in its business area while making rational and strategic decisions. Accordingly, short, medium, and long-term time frames and definitions have been established.	The Bank considers physical and transition risk factors when formulating and implementing business strategies and assesses the impact of these risk factors on the business model. The Bank has also taken climate risks into account in its strategic plan.	Climate risk management roles and responsibilities are integrated into relevant business areas. These roles and responsibilities are organized in accordance with the Bank's risk management framework and the three-tier protection model.
Risk Appetite	**Scenario Analysis and Stress Testing**	**Governance**	**Reporting**
By establishing climate-related loan concentration limits, the Bank has integrated climate risks into its risk appetite statement. Accordingly, the Bank has set the risk tolerance for non-renewable power generation at 5% of total lending. In line with its Climate Change Mitigation and Adaptation Policy updated in 2024, financing will not be provided for coal mining investments for electricity generation, new coal-fired thermal power plants, and capacity expansion investments. In line with the NZBA commitment and SBTi targets, the Bank has also committed to phase out coal financing by the end of 2035.	The Bank conducts scenario analysis and stress testing using the Bank's proprietary CRET model and key assumptions of global climate scenarios on a sectoral basis to measure the resilience of its business model and strategy to potential climate-related risks.	The Sustainability Committee, the Sustainability Management Committee, and the Climate Change and Sustainability Management Department oversee and monitor climate-related risks and opportunities within the sustainability governance framework, with assistance from the relevant teams.	Regular presentations and reports are made to the Sustainability Committee, the Executive Board, the Sustainability Management Committee, and the Credit Committee to inform them of the current risks to which the Bank is exposed.

Capitals

NATURAL CAPITAL

Opportunity Management
TSKB also views the risks it identifies and monitors as opportunities. The Bank uses CRET to identify, analyze, and assess climate risks, to determine which sectors offer opportunities related to climate change, and where investments are needed to mitigate and adapt. In line with its mission of sustainable development, TSKB provides financing for investments that aim to mitigate climate risks by raising the awareness of its clients on climate risks through its lending and advisory services.

The proportional and quantitative targets set by TSKB to increase the share of loans contributing to climate and environment-focused SDGs in its portfolio allow the Bank to articulate climate finance opportunities concretely. The Bank creates a multiplier effect by reducing not only the climate risks of its clients but also, indirectly, the climate risks in its portfolio by providing investment loans to mitigate climate risks. The Bank also sees an opportunity from the increased demand for climate change and sustainability advisory services offered by its sustainability advisory subsidiary Escarus.

Managing Environmental, Social, and Climate-related Risks, Opportunities, and Impacts in Lending Activities
The Bank analyzes the resilience of its loan portfolio to climate-related risks with the help of the heat map and the CRET developed in 2021. Furthermore, the environmental and social risks of all loans are analyzed with the ERET Model developed in 2005. The Bank monitors the alignment of its funding structure with its SBTi and NZBA targets through the analysis of the impact of each loan on these targets. Loans are analyzed in terms of long-term sustainable finance targets and the SDG Mapping Model. The CRET scores, Heat Map results, and portfolio temperature score values, which are monitored as part of the SBTi targets, are updated monthly in line with loan applications and presented to the Credit Committee to show the potential impact on the portfolio. This helps to analyze the current situation regarding climate risks and opportunities and to understand how the portfolio may be affected in the future based on targets. Sectors with high exposure to climate risks are closely monitored on the basis of climate risk assessments, and sector-specific stress testing studies are being conducted. In the context of all these activities, the Bank aims to manage the environmental and social impacts of its portfolio and to increase its resilience to climate change.

Elements Integrated into the Credit Evaluation and Decision-Making Process:

1. **ERET**
2. **CRET - Heatmap**
3. **Portfolio Temperature Score Analysis**
4. **SDG Analysis**

In 2005, TSKB designed the Environmental and Social Risk Evaluation Tool (ERET) based on the standards of international development finance institutions and the Equator Principles.

Environmental and Social Risk Evaluation Tool (ERET)

In 2005, TSKB designed the Environmental and Social Risk Evaluation Tool (ERET) based on the standards of international development finance institutions and the Equator Principles to measure the environmental and social risks of investment projects and started to implement the tool in 2007.

TSKB periodically reviews the environmental and social risk rating methodology of the ERET. In 2020, a comprehensive study was conducted to update the model in line with current environmental and social risk management principles in the international financial sector. In the same year, TSKB developed the ERET for Working Capital Loans by extending its environmental and social risk management approach to working capital loans. TSKB uses this tool to monitor the environmental and social impact and performance of its clients that receive working capital loans.

ERET assesses the risks of the companies and investment loans in the portfolio from multiple perspectives, ranging from natural resources and water use to waste management, air quality, and emissions. In addition, health and safety risks, land use, impact on cultural heritage, and biodiversity are also examined.

Monitoring and reporting greenhouse gas emissions, greenhouse gas management system (ISO 14064), and energy management system (ISO 50001) are among other important elements included in the ERET assessment. Environmental impact and dependencies of clients are identified through this analysis, which helps to determine their vulnerabilities to risks. Based on the results, areas for improvement are identified for clients, if deemed necessary, and a specific action plan is prepared for them. Gender sensitivity of the plans and actions taken is also an important issue. The model, which is reviewed regularly, evaluates companies' energy and water use and greenhouse gas emissions and assesses the sensitivity of projects to climate change risks.

ERET assessments are included in the Bank's internal rating model as a notching criterion. As a result, ERET results are incorporated into the expected credit loss calculations through the internal rating system and shape the Bank's financial position.

The current project risk measurement model, consisting of 35 questions across 5 main categories, is based on assessing the environmental and social impacts that may arise from the investment project being evaluated for financing by the bank, as well as the legal and financial potential liabilities, from both a current and forward-looking perspective.

Capitals

NATURAL CAPITAL

The current project risk measurement model, consisting of 35 questions across 5 main categories, is based on assessing the environmental and social impacts that may arise from the investment project being evaluated for financing by the bank, as well as the legal and financial potential liabilities, from both a current and forward-looking perspective.

Investment Projects Evaluated with ERET

The current project risk measurement model, which consists of 35 questions under five headings, is based on a current and future perspective of the environmental and social effects and legal and financial liabilities that may arise from the investment project considered for financing by the Bank. Based on the environmental and social risk score obtained from the assessment, a plan is developed with the investor to determine how impacts can be mitigated and monitored. The assessment results for 2024 are on the next page.

In 2024, the only project with a high-risk rating was the investment in capacity expansion in the iron and steel sector. Environmental and social assessments are conducted for high-risk investments, and Environmental and Social Action Plans are developed for effective risk management. With the help of independent consultants who are experts in the field, the environmental and social impacts of the companies are monitored for a minimum of 6 months. Projects with medium risk include energy efficiency investments in the iron and steel sector, investments in the chemical industry and ports, and investments in renewable energy facilities, including solar and wind power. Environmental and Social Management Plans for project risks are developed for these investments, and the implementation of these plans is closely monitored. This year, the Bank continued to visit renewable energy projects, engaging directly with local communities and the main project stakeholders to hear about project impacts.

Clients with Investment Projects Evaluated with ERET

Environmental and social risks arising from the current activities of the clients/investors that TSKB finances are also measured with the ERET Model in line with TSKB's risk management approach. Client risk assessment under the ERET Model, consists of 12 questions under 5 headings. The assessment results for 2024 are on the next page.

ERET for Working Capital Loans

In 2021, TSKB expanded the scope of its environmental and social risk management approach to include working capital loans. Playing a pioneering role in the sector, the Bank developed ERET for Working Capital Loans, a tool for measuring working capital loan risk. Environmental and social risk scores of clients assessed for working capital loans in 2024 are available on the next page.

In 2024, the only business with a medium risk rating is engaged in natural gas distribution. Similar to investment loans, the environmental and social performance of clients with working capital loans is measured, their risks and mitigation methods are monitored, and improvements are encouraged.

	Investment Loans Investment Evaluation Results	Investment Loans Customer Evaluation Results	Working Capital Loans Customer Evaluation Results
High Risk A	1	3	0
Moderate-Sensitive Risk B+	21	28	1
Medium Risk B-	51	31	3
Low Risk C	24	7	3

Climate Risk Evaluation Tool (CRET)

The Bank has developed CRET to assess climate risks in lending decisions, conduct comprehensive analysis, and support its development banking strategy. This tool scores the transition and physical risks of the investment and working capital loans of the customers in the portfolio separately.

The scores, which are classified into five main categories, are finalized by the Bank's experts based on the results of the model, taking into account the clients' adaptive capacity, current physical conditions, action plans, and strategies. Escarus and academic experts on climate and environmental risks were also involved in the development of CRET. Launched as a pilot in 2021, this system became fully operational in 2022 following improvements.

Transition risks are measured in compliance with UNEP FI methodologies. An assessment is made of the risks that sectors by NACE code may be subject to in the transition to a low-carbon economy. The emissions intensity of the sector, the awareness of the companies of the environmental risks and opportunities, their efforts to mitigate and adapt, and their future investment plans are all taken into account.

Capitals

NATURAL CAPITAL

Physical risks are assessed by considering 9 different climate risks in the short, medium, and long term for each sector in all regions of our country. IPCC's RCP 4.5 and RCP 8.5 scenarios are taken into consideration in the assessments. The Physical CRET calculates the final score by combining factors related to climate hazards, environmental dependencies, exposure, sensitivity, and adaptive capacity. The CRET results, which have been integrated into the decision-making processes by being considered in the Credit Committee, aim to detect climate-related risks at an early stage, manage their financial impacts, and mitigate them. The tools used to measure climate risks have a dynamic structure that is constantly evolving internationally. TSKB continues to closely monitor relevant international innovations and best practices to enhance the effectiveness of the CRET methodology.

CRET Transition Risks

Transition CRET assesses transition risks in line with UNEP FI methodologies, including the views of Bank experts. The Bank's sector experts analyze how NACE sectors will be affected by the transition to a low-carbon economy, particularly climate-sensitive sectors. During the assessment, various factors, such as companies' awareness of climate risks and opportunities, efforts for mitigating emissions and adaptation, and future investment plans, are also taken into account. The Bank develops action plans with the final results and considers these results in risk management as well as for achieving the existing net-zero targets. The Bank is working on integrating carbon pricing into the transition risk assessments.

TRANSITION RISK FACTORS

Direct emission costs that may arise from political and legal regulations	Indirect emission costs that may arise from carbon pricing	Changes in consumer behavior and loss or increase in income	Increased capital expenditures due to transition to low-emission technology

CRET Physical Risks

Physical risks pose threats to the operations of industries worldwide. The vulnerability of companies to climate hazards, and consequently the assessment of risk severity, is significantly influenced by the physical and geographical characteristics of the regions where they operate. The Physical CRET evaluates potential climate hazards that firms may face and assesses how this exposure may evolve, with a focus on regional and provincial levels.

The physical CRET is assessed individually for each sector across all provinces in Türkiye. It considers two different periods: 2021-2040 and 2041-2060. In addition, it considers the RCP 4.5 and 8.5 scenarios, which are commonly used by the Intergovernmental Panel on Climate Change (IPCC) in international studies. The assessment covers nine different climate hazards.

The location-based data used in CRET's physical risk module comes from the Ministry of Agriculture and Forestry's Climate Water Project, as well as global sources such as Aqueduct, Copernicus, and NASA. The Physical CRET calculates the final score by combining factors related to climate hazards, exposure, sensitivity, and adaptive capacity. With this approach, Physical IRDA provides a detailed and comprehensive assessment of client and loan projects with two climate scenarios, two different periods, 81 different locations, various sectors, and adaptive capacity scoring. Companies can be asked to submit action plans on risk management based on the results. The Bank regularly evaluates tools, models, and sources of physical risk data and updates the CRET scoring model when necessary.

- Average Temperature Increase
- Meteorological Drought
- Heavy Winds
- Heat Waves
- Wildfires
- Heavy Rainfall and Flooding
- Water Stress
- Landslide
- Rising Sea Levels

HEAT MAP RISK CATEGORIZATION

High | Moderately High | Medium | Moderately Low | Low | Unscored

TSKB Heatmap

SECTOR		Risk Distribution (%) 31.12.2024	TRANSITION RISK	PHYSICAL RISK (ACUTE)	PHYSICAL RISK (CHRONIC)
Electricity Generation	WPP	14.1	Low	Medium	Low
	GPP	5.1	Low	Moderately Low	Medium
	SPP	4.5	Low	Medium	Moderately Low
	HEPP	3.2	Low	Moderately High	High
	BPP	2.7	Low	Moderately Low	Medium
	Non-Renewable	2.1	High	Medium	Moderately High
Financial Institutions		9.1	Unscored	Unscored	Unscored
Metal and Machinery	Iron and Steel (EAO)	7.3	Moderately High	Moderately Low	Medium
	Iron and Steel (BOF)	0.4	High	Moderately Low	Moderately High
	Production of Other Metals	0.5	Moderately High	Moderately Low	Medium
	Aluminum (Secondary)	0.5	Medium	Moderately Low	Medium
	Machinery/Other Metals	0.4	Medium	Moderately Low	Medium
Other Services / Conglomerates		6.0	Low	Moderately Low	Moderately Low
Electricity Distribution		5.3	Low	Moderately High	Low
Natural Gas Distribution		1.0	Moderately Low	Medium	Low
Tourism		5.0	Moderately Low	Moderately Low	Medium
Chemicals		4.7	Moderately High	Moderately Low	Medium
Healthcare		4.2	Low	Moderately Low	Medium

Capitals

NATURAL CAPITAL

HEAT MAP RISK CATEGORIZATION

High | Moderately High | Medium | Moderately Low | Low | Unscored

SECTOR		Risk Distribution (%) 31.12.2024	TRANSITION RISK	PHYSICAL RISK (ACUTE)	PHYSICAL RISK (CHRONIC)
Construction/Construction Materials	Cement	1.3			
	Construction/Contracting	0.8			
	Glass & Ceramics	0.4			
	Other Construction Materials	0.2			
Textiles		3.0			
Food and Beverages		2.7			
Port Management		2.6			
Real Estate Development/Commercial Real Estate		2.4			
Wholesale/Retail Trade and Retailing		2.3			
Paper and Paperboard Production		2.2			
Other Manufacturing		1.5			
Fertilizers		0.9			
Batteries		0.9			
Maritime Transport		0.8			
Road Transport		0.1			
Automotive Sub-Industry		0.7			
Mining (Other)		0.7			
Packaging		0.4			
Automotive		-			
Agriculture and Livestock		-			
TOTAL		**100**			

Note: Cash loan balances dated 31.12.2024 were taken into account in risk distribution. Non-Performing Loans are excluded.

By the end of 2024, 18.7% of TSKB's total loan portfolio consisted of sectors with moderate to high transition risk, and 4.2% was made up of sectors with high transition risk.

Transition Risk Heatmap

By the end of 2024, 18.7% of TSKB's total loan portfolio was composed of sectors with moderate to high transition risk, and 4.1% was from sectors with high transition risk. In 2023, these figures were 15.7% and 4.5%, respectively. For further details, please refer to the Climate Report published in March 2024.

A significant portion of sectors with moderate to high transition risk includes iron and steel (EAO), chemicals, textiles, and paper/board production. Additionally, detailed analyses are being conducted for sectors with high transition risk assessments, such as thermal power plants, natural gas combined cycle plants, iron and steel (BOF), and cement. Given the expected emergence of direct and indirect emission costs, along with additional investment and operational costs in these sectors, stress tests are being carried out to evaluate how they will be impacted, particularly in terms of regulations and emerging technologies.

Approximately 80% of the portfolio is exposed to low and moderate transition risk, which is considered a manageable level of risk. The bank closely monitors sectors with high emissions indicated by the Heatmap results and conducts periodic analyses.

Additionally, the exposure of companies to transition risk and their actions for risk mitigation are closely monitored, with collaboration on financing potential emission-reducing investments and providing advisory services.

By the end of 2024, the electricity generation sector holds the largest share of 32.5% in TSKB's loan portfolio, with 92% of the energy portfolio consisting of renewable energy projects. An analysis of TSKB's loan portfolio shows that the energy sector has maintained its prominence over the years.

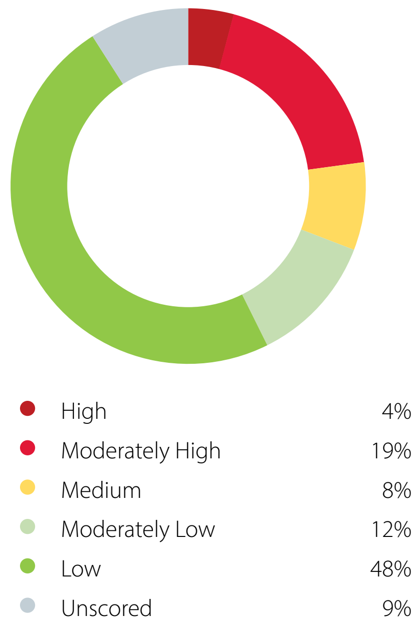
Moderately High Transition Risk

Sectors	Percentage (%)
Iron and Steel (EAO)	7.3
Chemicals	4.7
Textiles	3.0
Paper and Paperboard Production	2.2
Fertilizers	0.9
Production of Other Metals	0.5
Road Transport	0.1
TOTAL	**18.7**

High Transition Risk

Sectors	Percentage (%)
Non-Renewable Electricity Generation	2.1
Cement	1.3
Iron and Steel (BOF)	0.4
Glass & Ceramics	0.4
TOTAL	**4.2**

TSKB Transition Risk Distribution



Capitals

NATURAL CAPITAL

16.9% of the bank's total loan portfolio is composed of sectors exposed to moderate to high transition risk, with 3.2% being exposed to high physical risk.

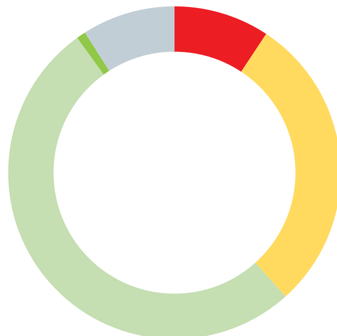
Physical Risk Heatmap

16.9% of the bank's total loan portfolio is composed of sectors exposed to moderate to high physical risk, with 3.2% being exposed to high physical risk. In 2023, these figures were 15.2% and 5.1%, respectively. For further details, please refer to the Climate Report published in March 2024. Given that approximately 80% of the portfolio is categorized under low and moderate physical risk, the overall physical risks in the portfolio are considered to be at a manageable level.

When examining the impacts of climate change on water resources in the context of physical risks, the effects are expected to be particularly significant in the agriculture sector and in energy and industrial sectors that heavily rely on water. Industries such as fossil fuel-based electricity generation, hydroelectric power production, and paper manufacturing are considered to face high physical risks due to the critical importance of water. These sectors exhibit a marked sensitivity to extreme climate events.

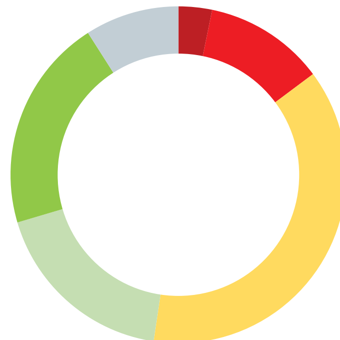
The bank periodically reviews the adaptation measures taken by companies in sectors with high physical climate risks and encourages them to take further action. In mitigating these risks, collateral and insurance play a crucial role.

Breakdown of Acute Physical Risks in the Portfolio



High	0%
Moderately High	9%
Medium	29%
Moderately Low	52%
Low	1%
Unscored	9%

Breakdown of Chronic Physical Risks in the Portfolio



High	3%
Moderately High	12%
Medium	38%
Moderately Low	18%
Low	21%
Unscored	9%

Moderately High Physical Risk

Sectors	Percentage (%)
Non-Renewable	2.1
Electricity Distribution	5.3
Textiles	3.0
Food and Beverages	2.7
Paper and Paperboard Production	2.2
Mining (Other)	0.7
Packaging	0.4
Iron and Steel (BOF)	0.4
TOTAL	**16.8**

High Physical Risk

Sectors	Percentage (%)
HEPP	3.2
TOTAL	**3.2**

Portfolio Temperature Score Analysis

TSKB monitors the progress towards its SBTi-approved targets for temperature score reduction of its long-term corporate loan portfolio on an annual basis and conducts monthly portfolio temperature score analyses. This approach allows for more efficient management of the impact of portfolio changes on the Bank's targets. During Credit Committee meetings, potential clients' effects on the portfolio's temperature score are evaluated both at the individual company level and for the portfolio as a whole. Thus, the impact on the Bank's targets is also taken into account during the credit decision-making process.

SDG Analysis

As mentioned in the Financial Capital section, TSKB tracks the impact of its loans by aligning them with the Sustainable Development Goals (SDGs) through the SDG Mapping Model developed in 2020.

With the SDG Mapping Model, the climate and environmental impact of financed projects is quantified, and long-term targets are set.

SDGs Addressed by the Projects Financed by TSKB, Focusing on Climate and Environmental Impact

1 NO POVERTY	No Poverty
2 ZERO HUNGER	Zero Hunger
6 CLEAN WATER AND SANITATION	Clean Water and Sanitation
7 AFFORDABLE AND CLEAN ENERGY	Affordable and Clean Energy
8 DECENT WORK AND ECONOMIC GROWTH	Decent Work and Economic Growth
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Industry, Innovation, and Infrastructure
11 SUSTAINABLE CITIES AND COMMUNITIES	Sustainable Cities and Communities
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible Consumption and Production
13 CLIMATE ACTION	Climate Action
15 LIFE ON LAND	Life on Land

METRICS AND TARGETS

Greenhouse Gas Emission Management

Since 2006, TSKB has been measuring its carbon footprint and, since 2009, has been meeting the electricity needs of its operations through renewable energy sources. To ensure the reliability of its efforts, the Bank has been conducting its activities in accordance with the ISO 14064-1 Greenhouse Gas Accounting and Verification Standard since 2012. In 2024, in addition to meeting the requirements of the TSRS, and to enhance its international recognition, the Bank carried out its calculations in compliance with the GHG Protocol's reporting standards and had them verified under the TSRS framework.

The avoided emissions through financed projects are also calculated annually as part of the Sustainable Management System (SMS). The Bank monitors its performance and makes lending decisions in line with the SBTi guidelines and the established roadmap. Additionally, it has been calculating Türkiye's grid emission factor for many years using scientifically and internationally accepted methods, and measures the contribution made towards the transition to a low-carbon economy through the projects it finances.

In 2021, the bank reviewed its portfolio with a high share of renewable energy and sustainable investments. By the end of 2023, indirect emissions were calculated including emissions from financed clients in carbon-intensive sectors such as iron and steel, cement, and aluminum, as well as thermal power plants, which accounted for 3% of the portfolio.

Capitals

NATURAL CAPITAL

By the end of 2023, the projects included in the accounting of financed emissions represented 15% of the total loan portfolio. In 2024, the scope of the calculation was expanded to cover 35.4% of the loan portfolio, including 91% of the carbon-intensive sectors within the portfolio.

The calculations were performed using the Partnership for Carbon Accounting Financials (PCAF) methodology recommended by the SBTi. Primary emissions and consumption data collected from clients were used as the data source.

The use of high-quality primary data in financed emissions calculations is critical for tracking target progress. Therefore, emissions arising from investments were excluded from the scope when access to quality data was not possible. The data quality of the portfolio was assessed according to the PCAF methodology's data quality scoring system. According to the scoring system, 76% of the obtained data was highest quality and verified, whereas the remaining 24% were self-reported emissions values of the second-highest quality without any verification. Efforts are ongoing to expand the scope of portfolio emissions calculations and improve data quality.

TSKB Greenhouse Gas Emissions (Solo)*

Scopes	Emission Sources	2021	2022	2023	2024
Scope 1 Direct Greenhouse Gas Emissions	Stationary Combustion Mobile Combustion Fugitive Emissions	449	411	343	422
Scope 2 Indirect Greenhouse Gas Emissions from Purchased Energy	Electricity – Market Based	0	0	0	0
	Electricity – Location Based	494	624	531	515
Scope 3 Other Indirect Greenhouse Gas Emissions**	Purchased Goods and Services	139	225	389	550
	Capital Goods	34	96	145	154
	Business Travel	47	115	163	260
	Employee Commuting	130	80	91	108
	Investments	2,748,096	2,632,903	2,089,349	1,266,435
TOTAL MT CO_2e***		2,748,895	2,633,830	2,090,481	1,267,930

*TSKB's solo emissions were verified in accordance with the ISO 14064-1 and ISO 14064-3 standards. The uncertainty for Scope 1 was calculated at 2.60%, and for Scope 3, it was calculated at 8.60%. The assurance level for Scope 1 was deemed reasonable, and for Scope 3, it was limited. In addition to ISO standards, the bank's emissions were reported and verified in compliance with the GHG Protocol under the TSRS framework.

**TSKB's Scope 3 emissions include emissions from employee commuting, personnel remote work, business travels, purchased goods and services, capital goods, and investments (loan portfolio). Following a materiality analysis, emissions from the upstream transportation, employees' commute by ferry, purchased paper and plastics, desktop computers, phones and tablets, disposal of household waste, and courier services were excluded as they fell below the materiality threshold. For the 2024 reporting year, the total Scope 3 emissions amounts to 1,267,508 tCO_2e. Excluding financed emissions, the total indirect emissions amount to 1,073 tCO_2e.

***The majority of TSKB's emissions are attributed to financed emissions. Excluding financed emissions, the total emissions amount to 1,495 tCO_2e. Throughout the year, total greenhouse gas emissions, excluding financed emissions, will be offset through the purchase of carbon credits.

Financed Emissions

						Emission Intensity	
Sector	**Asset Class**	**Percentage of the Asset Class in the Portfolio in the Reporting Year** *	**Methodology**	**Metric**	**Reporting Year Value**	**Metric**	**Reporting Year Value**
Agriculture	-	-	-	-	-	-	-
Aluminum	Corporate Loans	0.42%	PCAF	tCO_2e	1,809.14	tCO_2e/mio $	90.39
Cement	Corporate Loans	0.62%	PCAF	tCO_2e	199,822.52	tCO_2e/mio $	6,783.52
	Project Finance	0.61%			180,211.44		6,203.19
Coal**	Corporate Loans	1.12%	PCAF	tCO_2e	341,757.83	tCO_2e/mio $	6,439.79
	Project Finance	1.11%			178,719.77	tCO_2e/mio $	3,377.54
Commercial and Residential Real Estate	Corporate Loans	0.02%	PCAF	tCO_2e	35.47	tCO_2e/mio $	37.28
	Project Finance	1.00%			3,523.95		74.24
Iron and Steel	Corporate Loans	7.29%	PCAF	tCO_2e	182,482.18	tCO_2e/mio $	527.29
Oil and Gas	-	-	-	-	-	-	-
Power Generation**	Corporate Loans	1.12%	PCAF	tCO_2e	341,757.83	tCO_2e/mio $	6,439.79
	Project Finance	1.18%	PCAF	tCO_2e	184,020.20	tCO_2e/mio $	3,290.34
Transportation	Project Finance	0.04%	PCAF	-	16.78	tCO_2e/mio $	9.32
Fertilizer	Project Finance	0.86%	PCAF	tCO_2e	47,329.86	tCO_2e/mio $	1,156.03
Chemical and Plastic	Corporate Loans	2.8%	PCAF	tCO_2e	27,766.25	tCO_2e/mio $	204.06
	Project Finance	0.16%			4,548.92		605.22
Paper and Forest Products	Corporate Loans	1.64%	PCAF	tCO_2e	9,452.71	tCO_2e/mio $	121.26
Mining	Project Finance	0.35%	PCAF	tCO_2e	4,627.89	tCO_2e/mio $	278.76
Healthcare	Project Finance	0.69%	PCAF	tCO_2e	2,741.22	tCO_2e/mio $	83.93

Capitals

NATURAL CAPITAL

						Emission Intensity	
Sector	**Asset Class**	**Percentage of the Asset Class in the Portfolio in the Reporting Year** *	**Methodology**	**Metric**	**Reporting Year Value**	**Metric**	**Reporting Year Value**
Construction and Building Materials	Corporate Loans	0.23%	PCAF	tCO_2e	342.53	tCO_2e/mio $	30.82
Textile and Leather	Corporate Loans	1.37%	PCAF	tCO_2e	4,041.87	tCO_2e/mio $	62.03
Packaging	Corporate Loans	0.07%	PCAF	tCO_2e	335.40	tCO_2e/mio $	105.98
Fuel and Energy Distribution	Project Finance	0.92%	PCAF	tCO_2e	6,309.46	tCO_2e/mio $	144.22
Electromechanical	Corporate Loans	0.27%	PCAF	tCO_2e	219.70	tCO_2e/mio $	16.86
	Project Finance	0.76%			35,521.95		979.12
Finance	Corporate Loans	1.26%	PCAF	tCO_2e	74.35	tCO_2e/mio $	1.24
Food and Beverage	Corporate Loans	1.47%	PCAF	tCO_2e	7,406.26	tCO_2e/mio $	106.13
Holding	Corporate Loans	0.21%	PCAF	tCO_2e	294.71	tCO_2e/mio $	29.07
	Project Finance	0.88%			2,068.12		49.70
Public-Private Partnership - Healthcare	Project Finance	1.52%	PCAF	tCO_2e	9,402.82	tCO_2e/mio $	130.14
Automotive and Sub-Industry	Corporate Loans	0.23%	PCAF	tCO_2e	867.97	tCO_2e/mio $	80.40
Logistics	Corporate Loans	1.89%	PCAF	tCO_2e	3,037.79	tCO_2e/mio $	33.92
	Project Finance	2.74%			4,411.58		33.93
Tourism	Corporate Loans	0.78%	PCAF	tCO_2e	1,376.12	tCO_2e/mio $	37.25
	Project Finance	1.87%			577.94		6.50

*It represents the proportion of assets included in the scope within the total portfolio for the reporting year.
**In TSKB's portfolio, companies operating in the coal sector are thermal power plants that generate electricity from coal. The relevant data is provided both under the power generation sector category and separately under the coal category.

TSKB monitors greenhouse gas inventory limits through two different frameworks.

Since 2008, Scope 1, 2, and 3 emissions have been calculated, covering the Istanbul Headquarters Building, where operational activities are carried out. After a full year of operations, the Ankara Office, which began operations in June 2023, was included in the GHG inventory for the first time in 2024.

In 2024, the GHG inventory scope has been expanded to include Scope 1 and 2 emissions of subsidiaries to assess the impact of climate-related risks on consolidated financial performance.

Since 2021, the operational control approach has been used as the consolidation method to most accurately manage emissions and most effectively implement emission reduction strategies. In 2024, TSKB expanded its organizational boundaries to include its subsidiaries while maintaining its operational control approach.

In order to meet the requirements of the TSRS and to ensure the international validity of the studies, the consolidated emissions calculations were verified in accordance with the GHG Protocol reporting standards. As 2024 is the first year of consolidated reporting, emission sources have been excluded for subsidiaries when no reliable data could be obtained. Next year, these sources and the Scope 3 emissions will be included in the calculations.

The emission data of TSKB's consolidated and unconsolidated subsidiaries in accordance with TSRS are presented in the table.

2024 Greenhouse Gas Emissions of TSKB and Its Subsidiaries

	Scope 1 (tCO_2e)	Scope 2 - Market Based (tCO_2e)	Scope 2 - Location Based (tCO_2e)	Scope 3 (tCO_2e)
TSKB	422	0	515	1,267,508
Consolidated Subsidiaries	100	0	165	-
Unconsolidated Subsidiaries	106	16	16	-
Consolidated Emissions	628	16	696	1,267,508

Targets

TSKB has integrated its climate change impact measurement and mitigation into its business processes. Accordingly, the Bank measures emissions from its lending activities.

In 2022, TSKB became a signatory of the Net-Zero Banking Alliance and committed to aligning its loan and investment portfolio with zero emission targets by 2050.

The Bank collaborated with SBTi to identify near-term science-based Scope 1, 2, and 3 targets to achieve its net zero emission targets. Scope 1 and 2 emissions include the Istanbul Headquarters Building, where operational activities are carried out, and the Ankara Office.

The Ankara Office was included in the GHG inventory scope this year since it was not operational in the base year 2021, and operated for 1 full reporting year for the first time in 2024.

TSKB's Scope 3 targets represent 53 % of the Bank's total assets and cover 70 % of its loan and investment portfolio.

The 2030 sectoral decarbonization targets set by the Bank according to the SBTi guidelines also form the basis of the NZBA 2030 interim targets. These targets were approved by SBTi in 2023. A near-term roadmap was developed to achieve net zero emission targets and was approved by the Board of Directors of TSKB.

Targets are monitored on a monthly and annual basis, and future projections are made to help determine how to proceed. The Bank also improves the scope and quality of its analyses with data provided from its portfolio.

Capitals

NATURAL CAPITAL

Metrics and Targets for Direct Impacts

SBTi Targets / Operational Activities	Scope	Scenario	Method	Metric	Base Year Performance	Base Year	Target Year	Reporting Year Performance	Achievement Rate of the Target
A 63% reduction in Scope 1 greenhouse gas emissions from the 2021 base year to 2035	Scope 1	SBTi 1.5°C Scenario	The Absolute Contraction Approach	tCO_2eq	449	2021	2035	422	10%
Purchasing 100% of electricity from renewable energy sources by 2030	Scope 2	SBTi 1.5°C Scenario	Renewable Energy	%	100	2021	2030	100	100%

Scope 1 Absolute Reduction Target
To reduce the climate change impact of operations as part of the Bank's net zero roadmap, absolute emission reduction targets were set using the SBTi Target Setting Tool, consistent with SBTi scenarios aiming to limit climate change to 1.5°C.

The investment to switch to the use of gas with low global warming potential in the Bank's entire fire extinguishing system was completed as part of the action plan. The entire rental vehicle fleet was replaced with hybrid vehicles. The Bank is monitoring the emerging electric vehicle market and developing investment plans for the future.

After a full year of operations, the Ankara Office, which began operations in June 2023, was included in the GHG inventory for the first time in 2024. Scope 1 emissions have increased compared to 2023 following the inclusion of the office. Ankara Office was included in the action plan to identify emission sources and measure the baseline.

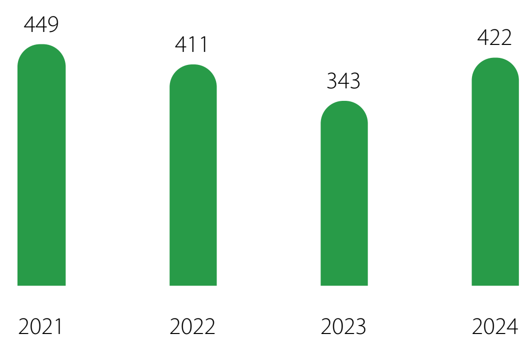
TSKB is committed to reducing its Scope 1* greenhouse gas emissions by 63% by 2035 compared to the base year of 2021. The action plan to achieve this target consists of 4 steps.

1. Modernization of the heating system: Integration of energy efficient technologies
2. Modernization of the cooling system: Integration of energy efficient technology
3. Investment in company vehicles: Replacing the fleet with hybrid and electric vehicles
4. Modernization of the fire extinguishing system: Integration of gases with low global warming potential into the building

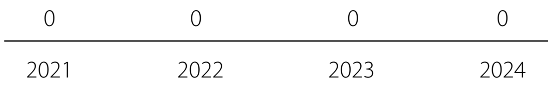
TSKB will continue to measure Scope 1 emissions from operational activities carried out at its Istanbul Headquarters and Ankara Office, implement its action plan in alignment with its targets, and transparently share the current situation with its stakeholders.

*TSKB's Scope 1 emissions reduction target approved by the SBTi covers the Bank's operational activities at its Istanbul Headquarters and the Ankara Development Base.

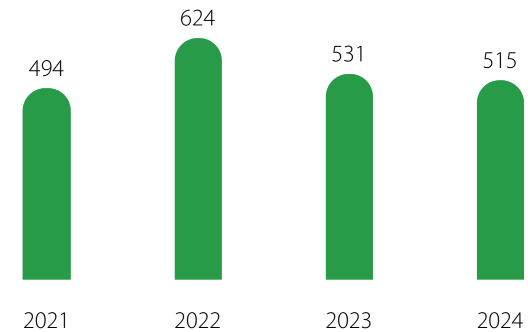
Scope 1 Emissions (tCO_2e)



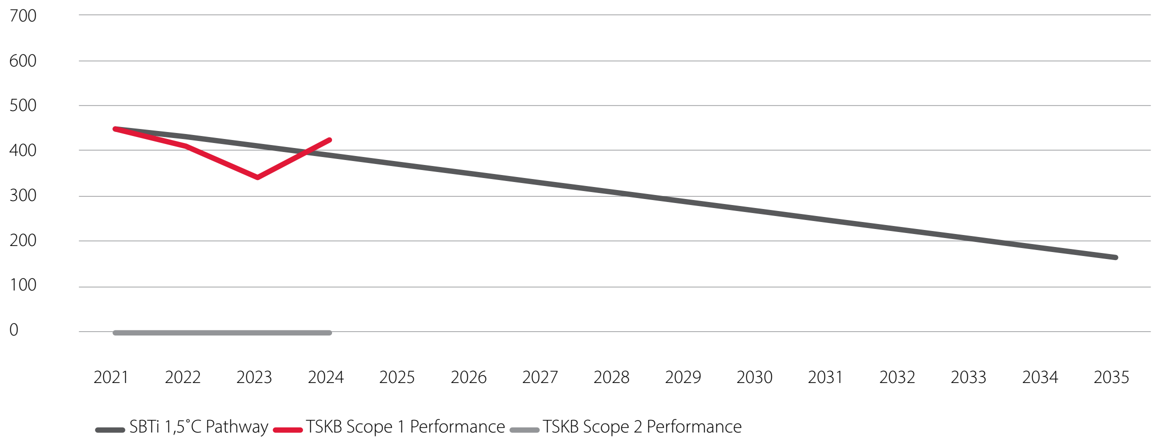
Scope 2 - Market Based Emissions (tCO_2e)



Scope 2 - Location Based Emissions (tCO_2e)



Metrics and Targets for Direct Impacts - Scope 1 and Scope 2 Targets



Scope 2 Renewable Energy Target

By purchasing green electricity from I-REC-certified power plants, TSKB keeps its Scope 2 market-based emissions at zero. As part of the Bank's commitment to procure 100% renewable energy from 2021 to 2030, announced for Scope 2 emissions in line with the SBTi guidelines, the Bank aims to reduce the climate change impact of its energy purchases and continue this practice beyond 2030.

The Bank monitors Scope 2 emissions on both a market and location basis to manage the electricity it consumes and transparently shares the results with its stakeholders. In 2023, the System Room with high power consumption was moved outside the bank, leading to a more efficient structure and a reduction in electricity consumption.

As part of the Bank's commitment to procure 100% renewable energy from 2021 to 2030, announced for Scope 2 emissions in line with the SBTi guidelines, the Bank aims to reduce the climate change impact of its energy purchases and continue this practice beyond 2030.

Capitals

NATURAL CAPITAL

Criteria and Targets for TSKB's Lending and Investment Portfolio

Scope/Asset Class	Percentage of the Asset Class in the Portfolio in the Reporting Year	SBTi Targets	NZBA Interim Targets	Scenario	Method	Metric	Base Year Performance	Target Year	Reporting Year Performance	Achievement Rate of the Target
Scope 3 / Electricity Generation Project Finance	27%	Reducing greenhouse gas emissions from the electricity generation project finance portfolio by 85.6% per kWh by 2035, compared to the 2021 baseline.	Reducing by 73.6% by 2030	SBTi 1.5°C Scenario	Sectoral Decarbonization Approach (SDA)	tCO_2e/MWh	0.228	2035	0.25	-11%
Scope 3 / Electricity Generation Corporate Loans	3%	Reducing greenhouse gas emissions from the electricity generation sector within the corporate loan portfolio by 85.7% per kWh by 2035, compared to the 2021 baseline.	Reducing by 73.7% by 2030	SBTi 1.5°C Scenario	Sectoral Decarbonization Approach (SDA)	tCO_2e/MWh	0.838	2035	0.64	28%
Scope 3 / Commercial Real Estate Corporate Loan	1.9%	Reducing greenhouse gas emissions from the commercial real estate sector within the corporate loan portfolio by 71% per square meter by 2035, compared to the 2021 baseline.	Reducing by 53% by 2030	IEA ETP B2DS	Sectoral Decarbonization Approach (SDA)	tCO_2eq/m^2	0.210	2035	0.07	95%
Scope 3 / Other Long-Term Corporate Loans	30%	To reduce the temperature score of the Scope 1+2 portfolio of other long-term corporate loans, which was 3.2°C in the base year of 2021, to 2.74°C by 2027, and to reduce the temperature score of the Scope 1+2+3 portfolio, also 3.2°C in the base year of 2021, to 2.82°C by 2027.	-	SBTi Well Below 2°C Scenario	Temperature Rating	°C	3.20 3.20	2027	2.77 3.07	93% 34%

Scope/Asset Class	Percentage of the Asset Class in the Portfolio in the Reporting Year	SBTi Targets	NZBA Interim Targets	Scenario	Method	Metric	Base Year Performance	Target Year	Reporting Year Performance	Achievement Rate of the Target
Scope 3 / Corporate Bonds	0.3%	To reduce the temperature score of the Scope 1+2 portfolio of corporate bonds, which was 2.57°C in the base year of 2021, to 2.31°C by 2027, and the temperature score of the Scope 1+2+3 portfolio, which was 2.86°C in the base year of 2021, to 2.59°C by 2027.	-	SBTi Well Below 2°C Scenario	Temperature rating	°C	2.57 2.86	2027	2.80 3.18	-88% -119%
Phase Out Commitments										
Scope 3 / Commitment to phase out coal	3%	TSKB is committed to not financing any greenfield coal-fired thermal power plants or coal mining investments for electricity generation and to phase out completely by eliminating its exposure to coal in its performing loan portfolio by the end of 2035.	-	-	-	%	3%	-	2.4	20%

Capitals

NATURAL CAPITAL

Electricity Generation Project Finance
TSKB's decarbonization target for the electricity generation sector is based on SBTi's scenario of limiting the global temperature increases to 1.5°C compared to the pre-industrial period. The science-based target set by the Bank was approved by the SBTi in 2023 and formed the basis for the NZBA interim target.

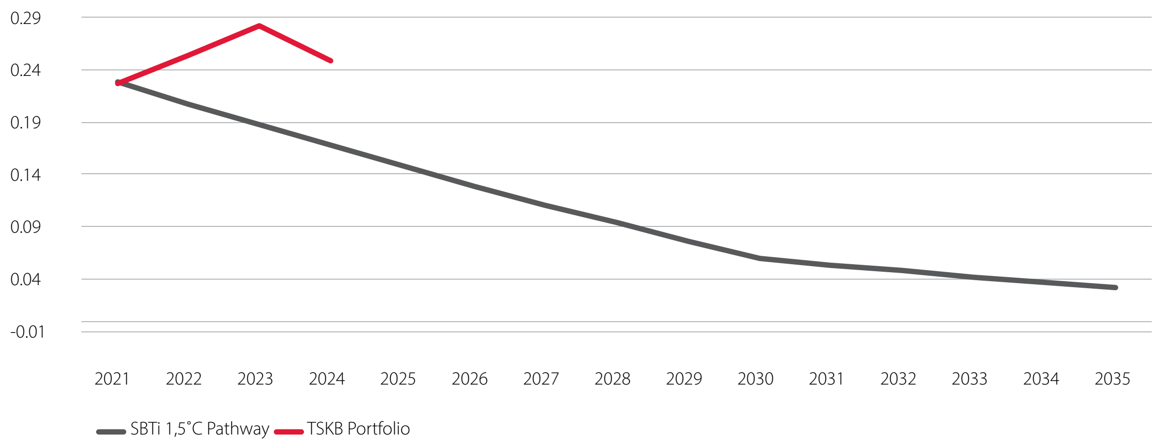
Following the base year 2021, there was an increase in the value of the emission intensity due to the redemption of loans in the portfolio for the financing of power generation projects.

TSKB carried out its lending activities in 2024 in line with the climate finance framework. The Bank focused on renewable energy and reduced its emission intensity compared to 2023. Power generation has the largest share in TSKB's loan portfolio, with 32.5% as of year-end 2024. 92% of this portfolio consists of renewable energy projects.

In 2021, TSKB announced that it would not finance greenfield coal-fired thermal power plants and coal mining investments and announced in its updated policy in January 2024 that it would phase out coal financing by the end of 2035.

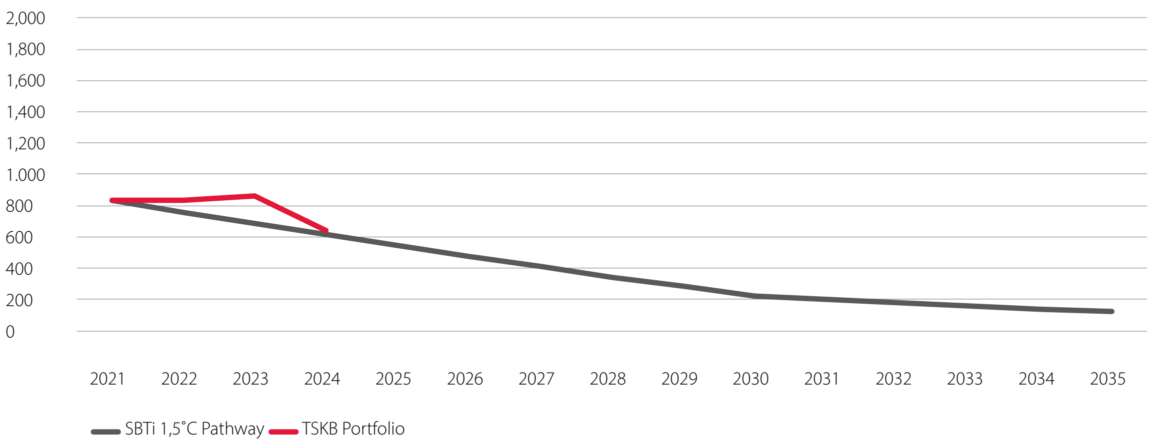
In order to reach its targets of 73.6% for 2030 and 85.6% for 2035, the Bank shaped its roadmap around continuing to finance renewable energy.

Electricity Generation Project Finance - Emission Intensity (tCO_2e/MWh)



In order to reach its targets of 73.6% for 2030 and 85.6% for 2035, the Bank shaped its roadmap around continuing to finance renewable energy.

Electricity Generation Corporate Loans - Emission Intensity (tCO_2e/MWh)



Electricity Generation Corporate Loans
In order to support the rehabilitation of power generation plants and/or investments in the environment, as well as to promote the use of cleaner technologies in national power generation, science-based targets were set in line with SBTi's scenario of limiting the global temperature increases to 1.5°C compared to the pre-industrial period. The target is monitored through the performance of loan customers that operate fossil fuel-fired thermal power plants and renewable energy companies in the corporate loan portfolio, and a downward trend has started compared to 2023 due to TSKB's climate policy and redemption plans.

The science-based target set by the Bank was approved by the SBTi in 2023 and formed the basis for the NZBA interim target.

In addition to green lending activities, Escarus supports clients' transition to a low-carbon economy, and the Bank set reduction targets of 73.7% for 2030 and 85.7% for 2035 compared to the base year 2021.

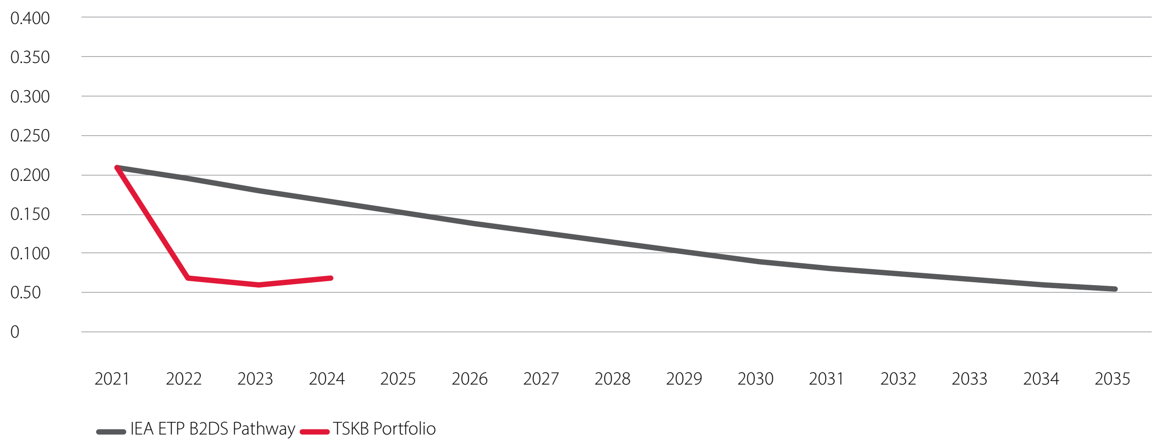
In addition to green lending activities, Escarus supports clients' transition to a low-carbon economy, and the Bank set reduction targets of 73.7% for 2030 and 85.7% for 2035 compared to the base year 2021.

Capitals

NATURAL CAPITAL

Commercial Real Estate Corporate Loans
TSKB's corporate loan portfolio includes commercial real estate such as office buildings, shopping malls, warehouse investments, etc., and science-based targets were set in line with the IEA ETP B2DS scenario to help reduce indirect emissions from the energy used for heating, cooling, and lighting these commercial properties during their construction and operation periods. The target of 71% reduction by 2035 compared to the 2021 base year, approved by SBTi in 2023, lays the foundation for the NZBA interim target of 53% reduction by 2030. TSKB plans to achieve its targets by financing buildings that are more energy efficient in construction and operation than conventional buildings.

Commercial Real Estate Corporate Loans - Emission Intensity (tCO_2e/m^2)



The target of 71% reduction by 2035 compared to the 2021 base year, approved by SBTi in 2023, lays the foundation for the NZBA interim target of 53% reduction by 2030. TSKB plans to achieve its targets by financing buildings that are more energy efficient in construction and operation than conventional buildings.

Other Long-Term Corporate Loans
TSKB supports its clients' green investments in line with its development mission. TSKB supports the transition of its portfolio clients to a low-carbon economy through investments focused on domestic consumption, such as solar power plants, and on energy and resource efficiency.

In 2024, by raising awareness among clients in its portfolio, the Bank encouraged greenhouse gas accounting and risk analysis studies. The Bank supported clients in developing their decarbonization and green transformation roadmaps through Escarus.

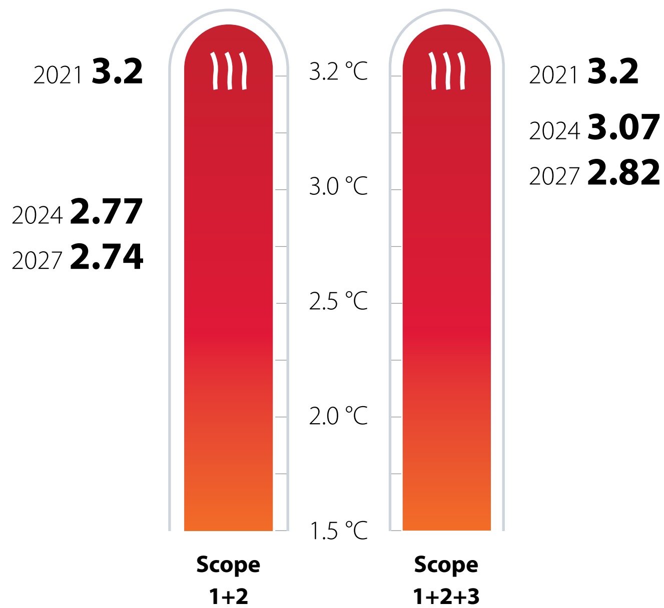
With the contribution of its green investment strategies, TSKB has reduced the Scope 1+2 temperature score of its long-term corporate loan portfolio to 2.77°C by the end of 2024. TSKB closely monitors its portfolio through monthly temperature score analysis. Projections are made for investments that are before the bank's credit committee, and the impact of these investments on TSKB's temperature score is part of the lending decision-making. The issue is reported to the senior management in committee meetings.

This approach allows the portfolio to be managed according to targets. TSKB will continue to closely monitor its portfolio with temperature score analyses in the coming periods.

Scope 1+2	2021	2022	2023	2024	Scope 1+2+3	2021	2022	2023	2024
Temperature score °C	3.2	2.91	2.93	2.77	Temperature score °C	3.2	3.04	3.09	3.07

TSKB supports the transition of its portfolio clients to a low-carbon economy through investments focused on domestic consumption, such as solar power plants, and on energy and resource efficiency.

To reduce the Scope 1+2 portfolio temperature score to 2.74°C by 2027



To reduce the Scope 1+2+3 portfolio temperature score to 2.82°C by 2027

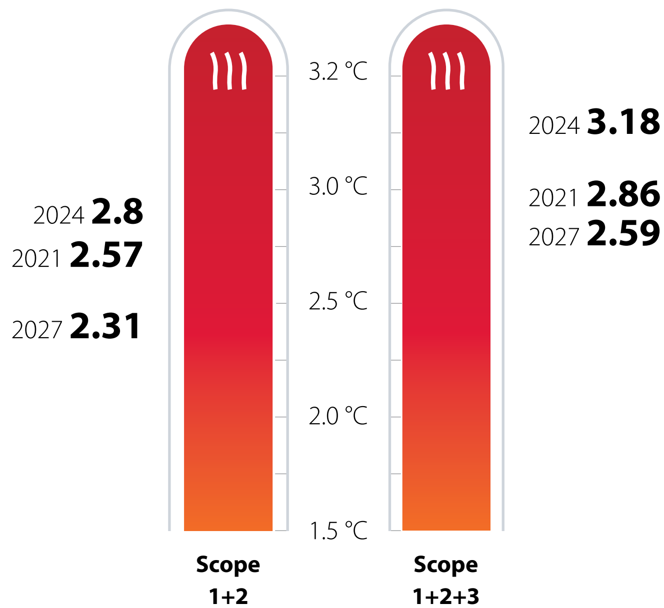
Capitals

NATURAL CAPITAL

Corporate Bonds
TSKB Treasury Department conducts private sector bond transactions with a focus on balance sheet asset-liability optimization. Corporate bond purchases are made throughout the year, depending on market conditions, to maximize efficiency. The current market conditions have left only limited room in this matter.

In the upcoming period, TSKB will align its investments with the SBTi-approved, science-based targets it has set as part of its responsible investment policy.

Scope 1+2	2021	2022	2023	2024	Scope 1+2+3	2021	2022	2023	2024
Temperature score °C	2.57	2.7	3.1	2.8	**Temperature score °C**	2.86	3.02	3.16	3.18



To reduce the Scope 1+2 portfolio temperature score to 2.31°C by 2027

To reduce the Scope 1+2+3 portfolio temperature score to 2.59°C by 2027

Internal Consumption Data

Environmental Impact of the Bank's Direct Operations

TSKB manages the environmental impact of its operational activities under its Sustainable Management System (SMS) in accordance with the ISO 14001 Environmental Management System Standard. The Bank's goal is to maintain the ISO 14001 certification it has held since 2007.

The consumption of resources such as electricity, water, and natural gas is periodically monitored, and efforts are made to achieve reduction targets in the activities carried out within the scope of the SMS.

Variations in natural gas and electricity consumption due to climate change are evaluated meticulously.

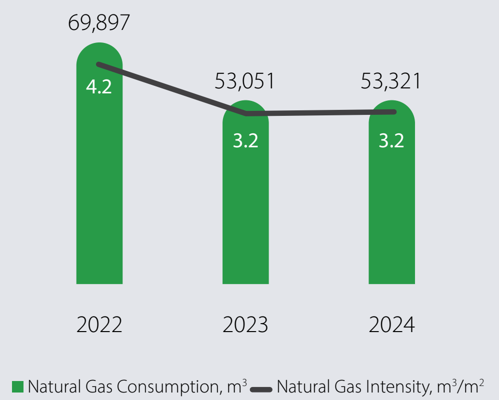
Greenhouse gas emissions from the Bank's operations are calculated in accordance with the ISO 14064-1: 2018 standard for the calculation and verification of greenhouse gas emissions, and measures are taken to reduce emissions.

The waste management plan aims to maximize recycling, environmentally sound disposal, and economic recovery of waste and is implemented in accordance with the integrated waste management hierarchy. The Bank aims to reduce the amount of waste per capita through awareness-raising activities.

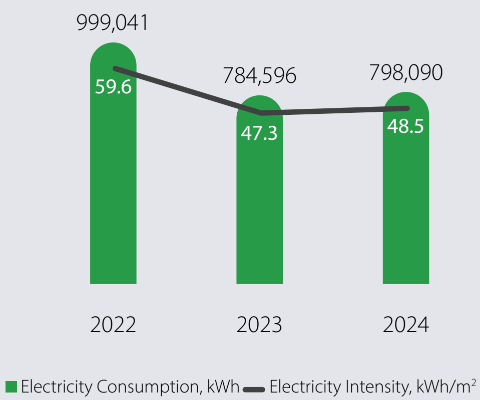
Sustainable office practices are part of TSKB's waste management. In addition to the battery, paper, metal, glass, plastic and mask waste bins that are used effectively on the path to zero waste, TSKB also uses biodegradable waste bins located in the common area. Porcelain and glass cups are used on the bank premises instead of disposable cardboard cups. In partnership with Wastespresso, coffee pulp from the Bank's headquarters buildings is upcycled using the micro-waste method. This minimizes the carbon and methane emissions associated with coffee waste and supports the production of alternatives to plastic products that do not break down in nature over a long period.

All new employees joining the Bank are trained in the SMS and are expected to internalize the sustainability framework.

Natural Gas Consumption (m^3)



Electricity Consumption (kWh)



Capitals

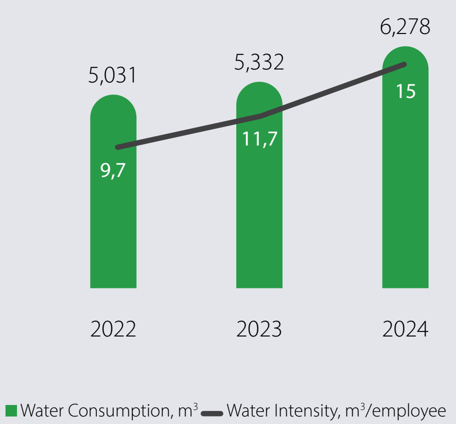
NATURAL CAPITAL

Water demand for garden irrigation and human use increased during the reporting period, due to the hottest summer since 2015. Therefore, compared to the water consumption in 2023, the water consumption in 2024 has increased.

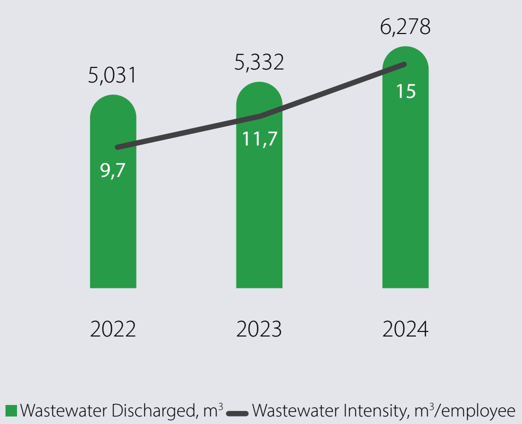
The air temperature in the vicinity of the Bank's headquarters building is measured and recorded by the building operations team throughout the year using building thermometers. An analysis of the amounts of water consumed monthly shows an increase in particular in June, July, August, and September.

All of the water used on the TSKB premises is discharged into the municipal sewer system as waste water.

Water Consumption (m³)



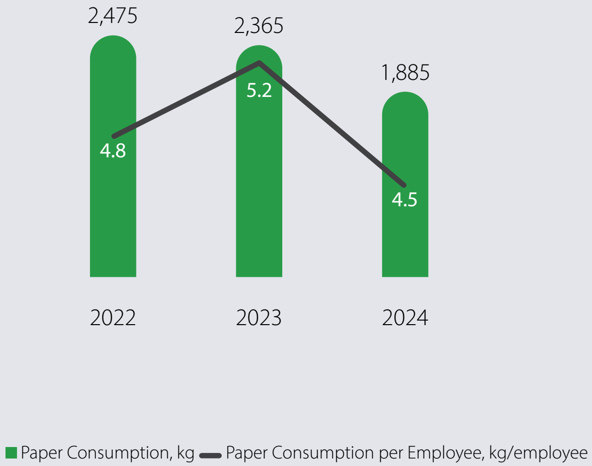
Wastewater Discharged (m³)



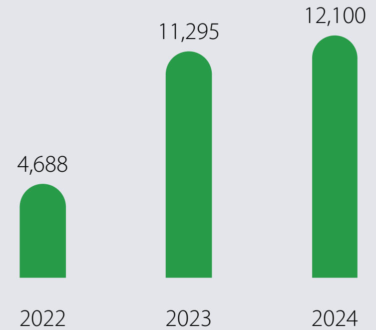
As a result of the digitization efforts to reduce paper consumption, paper consumption decreased during the reporting period.

The amount of recycled plastic and paper waste increased in 2024 as a result of the destruction and recycling of documents whose legal retention period had expired.

Paper Consumption (kg)



Amount of Recycled Plastic and Paper (kg)



Capitals

SOCIAL CAPITAL

The social policies prepared in alignment with TSKB's vision and mission are guiding both in internal operations and in relationships with external stakeholders.

TSKB

Development Day

June 4, 2024 ~350 stakeholders from the public sector, private sector, and academia

11

11 libraries in 11 cities

To open 11 libraries in 11 cities affected by the earthquake by the end of 2025

Social

Performance

The development process of the Social Performance Measurement Tool has been completed.

Capitals

SOCIAL CAPITAL

2024 TARGETS AND REALIZATIONS

Target	Realization
To integrate the gender equality perspective into the Bank's loan assessment processes by the end of 2025, enhance awareness in the real sector, evaluate analysis outputs, and work on impact measurement	Inclusion, Equal Opportunity and Diversity Survey was conducted to measure internal perceptions of the Bank's personnel. It was participated in the UN Global Compact Target Gender Equality program. Gender-disaggregated data from credit-receiving institutions were demanded and followed. Gender Equality Trainings were provided to employees of four companies. Ex-post Impact Assessment Processes of the AFD Women's Employment Fund was conducted.
To implement the Social Performance Measurement Tool for financed projects and reporting its outcomes	The development process of the Social Performance Measurement Tool has been completed.
To organize training sessions for the financial sector based on the findings of the gender bias analysis conducted in 2022	A Gender Bias Training was conducted at our Bank's headquarters with the participation of 35 individuals from 7 different institutions involved in the analysis process.
To organize Development Sessions within TSKB, with the participation of opinion leaders and key business partners to contribute to Türkiye's qualified development vision.	June 4, 2024 - TSKB Development Day Conference Approximately 350 stakeholders from the public sector, private sector, and academia were attended the conference.
As part of the projects for the 100th Anniversary of the Republic, to open 11 libraries in 11 cities affected by the earthquake by the end of 2025	In the provinces of Adana, Osmaniye, Diyarbakır, Şanlıurfa, and Hatay, 5 school libraries were established, providing approximately 6,000 students with over 35,000 books and various intellectual development games.
To add ~500 new resources to the TSKB Library in 2024	750 new resources were added
To organize a Sustainable Workshop in order to enhance students' sustainability literacy	The 12th Sustainability Workshop was held with university students.
To conduct a sustainable procurement survey for at least 60% of suppliers with high operational risk significance	As part of a long-term collaboration and based on an importance study conducted for purchases, surveys were applied to 50% of the high-priority suppliers identified.

2025 TARGETS

Target
To open 11 libraries in 11 affected provinces by the 2025 earthquake within the scope of the projects for the 100th Anniversary of the Republic
To add ~500 new resources to the TSKB Library in 2025
To organize a Sustainability Workshop in order to enhance students' sustainability literacy
To organize engaging activities that create awareness in the fields of economy and sustainability for children aged 4-6 and 7-10 within the scope of the TSKB Children's Festival that is organized for the children of our employees
To establish 4 new kindergarten classes or to renew existing kindergarten classes by the end of 2025
To implement value-oriented projects with the mission of sustainable development dedicated to the 75th anniversary of TSKB
To integrate gender equality perspective into the Bank's credit evaluation processes in order to raise awareness in the real sector, evaluate the analysis outputs and work on impact measurement studies by the end of 2025
To provide loans to companies and to provide capacity development in companies by using the Social Performance Measurement Tool
To develop TSKB Inclusive Language Guide
To evaluate and conduct the Ethics Hotline and Sensitive Complaint Mechanism studies to be opened to internal and external stakeholders in order to increase transparency and strengthen the environment of trust
To monitor and analyze the data to be collected from suppliers with environmental, social and governance focus

Capitals

SOCIAL CAPITAL

TSKB's Social Policies

Social policies developed in accordance with TSKB's vision and mission, guide internal operations and relationships with external stakeholders.

These policies promote employee motivation and loyalty from a fair, inclusive, and equitable perspective while ensuring that the Bank contributes to social development, generates social value, and achieves its sustainability goals. In addition, sustainability and social impact strategies designed to manage social risks help TSKB lead the industry and maintain its credibility.

- TSKB Sustainability Policy (2012)
- TSKB Environmental and Social Impact Management Policy (2015)
  - Annex: List of activities that are not to be financed (2015)
- TSKB Occupational Health and Safety Policy (2015)
- TSKB Equal Opportunity and Inclusion Policy (2019)
- TSKB Human Rights Policy (2015)
- TSKB Gender Equality Policy (2020)
- TSKB Anti-Bribery and Anti-Corruption Policy (2014)
- TSKB Gift and Hospitality Policy (2019)
- TSKB Procedure for Management of Information,
- TSKB Information, Suggestion and Grievance Redress Mechanism Procedure (2021)
- TSKB Sustainable Procurements Management Policy (2015)
- TSKB Responsible Corporate Communications Policy (2022)
- TSKB Remuneration Policy (2012)

Diversity, Equity and Inclusion

A significant dimension of TSKB's sustainability strategy is the work it has carried out in the social field from the perspective of diversity, equity and inclusion.

Social Impact Management

The most important issue within the scope of social impact management is the measurement and management of direct, indirect and cumulative positive and negative impacts arising from its corporate banking and advisory service activities.

SOCIAL IMPACT MANAGEMENT

Social Impact Management for Internal Activities
An important dimension of TSKB's sustainability strategy is its work in the social field concerning diversity, equity and inclusion. Diversity, equity and inclusion, are among the key elements that underpin TSKB's vision and mission.

To ensure that employees work in a happy and equal environment and to improve their participation in the workforce, TSKB has gone beyond the legal requirements and adopted international social standards (Universal Declaration of Human Rights, ILO standards, UN Global Compact, Women's Empowerment Principles -WEPS). To this end, the Bank published its Equal Opportunity Policy in 2019 and Gender Equality Policy in 2020.

The Bank continues to lead the sector in gender equality, with a 51% female workforce, an equal opportunities model in human resources, a near-zero gender pay gap, training practices, and cooperation with international organizations.

Social Impact Management for Loan Investments
For a financial institution, the most critical issue regarding social impact management is measuring and managing the direct, indirect, and cumulative positive and negative impacts arising from its corporate banking and advisory service activities.

Therefore, TSKB uses a variety of methodologies to assess and measure the social impact of each project it will finance, regardless of the investment amount. Identifying the stakeholders that will be affected by the project and the extent to which the project will affect each stakeholder is essential in managing the impacts. To ensure a comprehensive analysis of the social impact of projects, site visits are organized to facilitate in-depth evaluations by subject matter experts. Consultation meetings, face-to-face interviews, and in-depth interviews are conducted with all project stakeholders (local people, municipalities, mukhtars, local authorities, etc.) to observe and analyze the project's potential social impact. In addition, focus group meetings are organized with vulnerable stakeholders (women, elderly, persons with disabilities, refugees, etc.) to analyze the extent to which the project will affect vulnerable groups.

Employees, as the project's key stakeholders, are also interviewed, and the compliance of the labor force and working conditions with international standards beyond legal requirements is assessed.

TSKB uses its proprietary Environmental and Social Risk Evaluation Tool (ERET) to assess the environmental and social risk of each project, irrespective of the investment amount. This model is used to assess the environmental and social impact of projects in detail, categorize projects according to the resulting risk score, and provide a separate action plan for each environmental and social risk category.

The Bank continues to lead the sector in gender equality, with an equal opportunities model in human resources, a near-zero gender pay gap, training practices, and cooperation with international organizations.

The Bank continues to lead the sector in gender equality, with an equal opportunities model in human resources, a near-zero gender pay gap, training practices, and cooperation with international organizations.

The Bank develops an action plan and a monitoring program in cooperation with its clients on how environmental and social impacts are to be managed and monitored. This helps clients build their capacities on environmental and social issues while avoiding potential risks related to the social impact of projects.

Capitals

SOCIAL CAPITAL

Through SDG Mapping, the social impacts—one of the three fundamental dimensions of sustainable development in financed projects—are systematically measured, and their contribution to social and sustainable development is quantified.

SDG Mapping of Loans

TSKB measures the alignment of the financing it provides under specific loan themes with the UN Sustainable Development Goals (SDGs) as part of the Loan Themes-Sustainable Development Goals Mapping Study.

This approach, which was launched in 2018 on a limit-based approach and updated to a risk-based perspective in 2020, examines the relationship between corporate loans and the 17 SDGs, systematically measuring their contribution to sustainable development. This establishes a foundation for integrating SDGs into future financing plans

TSKB collaborates with financial clubs, of which it is a member, and with development finance institutions regarding SDG Mapping.

Through SDG Mapping, the social impacts of financed projects are systematically measured, and their contributions to social and sustainable development are quantified. During the reporting period, the Bank made contributions to the social development-focused SDGs listed in the table through the projects it financed.

1 NO POVERTY	No Poverty
3 GOOD HEALTH AND WELL-BEING	Good Health and Well-Being
4 QUALITY EDUCATION	Quality Education
5 GENDER EQUALITY	Gender Equality
8 DECENT WORK AND ECONOMIC GROWTH	Decent Work and Economic Growth
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Industry, Innovation and Infrastructure
10 REDUCED INEQUALITIES	Reduced Inequalities
11 SUSTAINABLE CITIES AND COMMUNITIES	Sustainable Cities and Communities
17 PARTNERSHIPS FOR THE GOALS	Partnerships for the Goals

As part of the financing efforts to recover the effects of the Kahramanmaraş earthquakes of 6 February 2023, TSKB achieved USD 320 million of its USD 400 million target by the end of 2025 and updated its target to USD 600 million by the end of 2026.

In addition, by the end of 2026, the financing linked to the SDGs with a focus on social development is aimed to exceed USD 600 million. The financing target for women's employment and women's empowerment was set at USD 200 million.

Accordingly, in addition to the approximately 85 companies that have benefited from the Women's Employment and Women's Empowerment funding to date, the goal is to enable more companies to benefit from these financing mechanisms and to further mainstream gender equality and women's empowerment issues in the business community. The Bank has also deepened its development-oriented impact by integrating gender equality targets into projects on green transformation, such as climate change, renewable energy and energy efficiency, as well as on women's employment and women's empowerment, to strengthen SDG 5 - Gender Equality.

Increasing SDG 5 Impact

In 2024, as part of the update of the SDG Mapping Model, the impact of SDG 5 - Gender Equality on investments was reassessed, and the impact area of the model was deepened. In addition to investments that directly affect SDG 5, as there are companies and investments that indirectly affect SDG 5, indirect impact criteria for SDG 5 were added to the model.

The direct impact of investments in women's employment and empowerment on sustainable development is assessed through analyses conducted at different stages of the investment (ex-ante, in itinere, ex-post). These analyses provide transparent impact reporting for investors and stakeholders and further strengthen TSKB's impact investing approach. Moreover, the impact arising from the integration of a gender equality perspective into climate finance is treated as an indirect impact and carefully monitored by relevant experts.

Social Performance Measurement Tool

TSKB uses the Social Performance Measurement Tool developed by TSKB experts to measure the social performance of the companies/investments/projects it finances.

The measurement tool is designed to broadly assess social standards set by national legislation and international social performance standards. Accordingly, measurement criteria are taken into consideration in Stakeholder Engagement and Communication, Equal Opportunity, Inclusion and Gender Equality, Human Rights, Human Resources, Social Management, Social Investments and Corporate Social Responsibility Activities, Supply Chain, and Occupational Health and Safety.

The main objective of the measurement tool is to determine the social performance of the financed companies/investments to help companies/investments identify gaps and build their capacity, and to monitor performance improvements based on the data obtained to better manage social impacts.

Grievance Redress Mechanism

TSKB has a transparent and comprehensive Grievance Redress Mechanism Rto receive, evaluate, and, if necessary, resolve grievances, requests, and suggestions from all clients, suppliers, internal and external stakeholders, citizens affected by each international project it finances, Bank staff, and subcontractors. This mechanism is designed not only for grievances but also to communicate requests and suggestions through various channels.

TSKB gives priority to internal/external stakeholder satisfaction and aims to follow the most reliable, fastest, and transparent path to receive, evaluate, and respond to requests for information, suggestions, and grievances submitted in accordance with its policies and to ensure systematic monitoring and reporting.

TSKB aims to ensure that its Grievance Redress Mechanism fully complies with the United Nations (UN) Guiding Principles on Business and Human Rights, the principles related to fundamental rights as defined in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the provisions of the applicable legislation in Türkiye, human rights and the legal framework and legislation governing working life.

Various channels have been established to receive written or verbal grievances, requests, and suggestions from internal and external stakeholders. All incoming feedback is recorded, evaluated, tracked, and concluded by the responsible parties in accordance with the relevant standards. These are reported to relevant parties periodically.

TSKB DEVELOPING SOCIAL IMPACT CAPACITY WITH NATIONAL/INTERNATIONAL INITIATIVES

IDFC Gender Equality Working Group

TSKB focused on the Gender Equality Finance Mapping recommended in the IDFC Collective Roadmap report drafted and published by the Frankfurt School of Finance and Management (FSFM) in 2022 as part of the work plan of the IDFC Gender Equality Working Group, of which TSKB is a co-coordinator. Accordingly, the Bank continued to collaborate with the FSFM and drafted the IDFC's first pilot collective report. This report was disclosed at the Finance in Common Summit in 2023. You can find the details here.

In 2024, the collaboration with FSFM continued, and the second Gender Equality Finance Mapping study was conducted. In this second mapping, focusing on the cumulative portfolios of 2022 and 2023, Gender Focused/Transformative and Gender Responsive/ Sensitive projects were reported.

At the first Finance in Common Summit in 2020, TSKB became one of the signatories and participated in the meetings organized for the Joint Declaration on Gender Equality.

The Bank focused on the development points recommended to IDFC members in the status report and roadmap published as part of the SDG Alignment studies that were conducted and finalized in the previous years with the consulting firm Natixis, and took an active role in the process.

Capitals

SOCIAL CAPITAL

IDFC SDG Alignment Working Group
In 2018, IDFC decided to engage more substantially on Sustainable Finance and SDG Alignment, building on its historical anchoring on Climate and Paris Alignment Finance, and created a working group. In order to provide IDFC members with a conceptual framework as well as practical ways, tools, and processes to implement it, IDFC launched a dedicated study with Natixis CIB (Green and Sustainable Hub) in the summer of 2021. The IDFC Secretariat and Natixis then organized a two-day seminar in September 2022 to foster collaboration on the study's findings and pave the way for operationalization. 6 workshops led by IDFC members were organized. The workshops addressed issues such as the internalization of SDG actions in country roadmaps, diagnostics on the level of integration of the SDGs, and the use of dedicated tools to facilitate further integration, external engagement, and accountability.

TSKB continued to actively participate in the SDG Alignment working group. In 2024, it also made contributions during the workshops on the development of the SDG Alignment Tool.

SKD Türkiye
A project was developed by the SKD Türkiye Financial Products and Services Sub-Working Group for capacity-building efforts under the "Reducing Inequalities" focus area. The aim of this study, in which TSKB was the project leader, was to examine and present to the members of the working group national and international financial products related to the theme of reducing inequalities, to determine the expectations of these financial products and to develop a roadmap for the private sector to adapt, and to create an infrastructure that would enable financial institutions to create new financial products inspired by these best practices. At the first stage of the project, TSKB provided capacity building to the working group members by giving a detailed presentation on Inclusion, Diversity, Equal Opportunity, Human Rights, and Gender Equality. In the second phase of the project, members' work on the relevant themes will be monitored.

INCLUSION, DIVERSITY, AND EQUAL OPPORTUNITY

Gender Equality Strategy
The human development approach does not measure development solely in terms of economic growth but adopts a perspective that prioritizes the well-being of individuals. A just and inclusive social structure and the preservation of ecological balance are the cornerstones of sustainable development. As such, gender equality is an indispensable element in the building of a more just, equitable, and sustainable future for all. The role of organizations in developing an equality strategy is crucial to achieving these elements.

A successful gender equality strategy doesn't just promote equality. It also boosts economic growth by harnessing the potential of all genders.

TSKB is one of the leading financial institutions that has successfully integrated a gender equality strategy into its financial decision-making and investment process. In 2024, TSKB reviewed its Gender Equality Strategy based on the feedback received and updated it to reflect changing needs and to achieve a sustainable impact.

Impact Measurement

Impact Measurement Report of Women's Employment Projects
To assess the long-term impact and results of the women's employment loans received from the AFD in 2016 and 2019, TSKB conducted a comprehensive impact measurement study in 2024 through an independent consulting firm.

The purpose of the study was to understand the relevance, effectiveness, sustainability, and impact of these projects and to assess the consistency of impact with project objectives and expected results. Accordingly, a multi-pronged approach was used to analyze the impact of the projects on the gender equality strategy and capacities of TSKB and the borrower companies, as well as the contributions of the partnership with AFD to the process. For the collection of qualitative and quantitative data, in-depth interviews were conducted with AFD and TSKB staff, 8 borrowers, 6 different NGOs, international development banks/clubs, and other institutions and organizations with which the Bank has cooperated in the process, and an online survey was sent to 28 companies.

The preliminary evaluation report shows that TSKB's cooperation with AFD has played an exemplary role in gender equality and sustainable finance in the country. The thematic loans on gender equality and women's empowerment that were launched with AFD in 2016 and the accompanying technical assistance programs have created a learning curve in our bank and have enabled TSKB to develop a sustainable and well-founded policy on gender equality. This policy framework not only strengthened the Bank's institutional capacity but also served as a model for other financial institutions operating in the country. At the same time, loans disbursed to improve women's conditions in the workplace have contributed to raising awareness and changing perceptions of gender equality in the borrowing companies and have encouraged the development of policy infrastructure for women's employment. The project's technical assistance program enabled TSKB to integrate gender-responsive methodologies into its operations, leading to both institutional change and broader sectoral impact. Over time, partnering with AFD has enabled TSKB to develop expertise in gender-responsive lending, create a structured gender strategy, and build a more inclusive financial ecosystem. By integrating gender considerations into its lending processes and corporate engagement strategies, TSKB has become a leading provider of gender-responsive, sustainable finance.

By integrating impact measurement and management, the most important stage of impact investing, into its processes with this study, TSKB continues to create positive and measurable impact, further strengthening its pioneering role in sustainable finance, impact investing, and gender equality in the sector.

Perception and Awareness Survey on Inclusion, Diversity, and Equal Opportunity

An employee survey was conducted in 2024 to measure how TSKB's approach to inclusion, diversity, and equity and its practices in these areas are perceived by the Bank's employees.

Another objective of the survey was to measure employee awareness of banking practices. The results of the Perception and Awareness Survey on Inclusion, Diversity, and Equal Opportunity were analyzed by an independent consulting company. Benchmarking was conducted based on the results of the survey, and recommended actions were formulated.

Planning was made to implement the recommendations from the survey in the short, medium, and long term.

Audiobook Project

As part of its inclusion activities on the occasion of its 75th anniversary, TSKB will launch the audiobook project in cooperation with Boğaziçi University Technology and Education Center for the Visually Impaired (GETEM) to increase its contribution to the social and cultural development of our country and to extend TSKB's reach to a wider audience. Books on topics such as literature, history, culture and art, and economics will be narrated by the staff and contribute to GETEM's audio library. It is aimed to improve social inclusion through this project.

Increasing Employment of People with Disabilities

The participation of people with disabilities in business is essential to ensure equal opportunity and diversity in the workplace and to combat discrimination. TSKB cooperates with various recruitment consultancy firms and the National Employment Agency - İŞKUR to increase the number of employees with disabilities.

Capitals

SOCIAL CAPITAL

UN Global Compact Target Gender Equality Program
In 2024, TSKB participated for the second time in the Target Gender Equality Program of the UN Global Compact aiming to increase the representation and leadership of women in the business world and to adopt a policy of equal pay for equal work. This program included performance assessments, capacity-building workshops, inter-agency learning, and stakeholder dialogue. The Women's Empowerment Principles were served through these efforts aimed at improving contributions to the SDGs. Initiatives were encouraged in line with SDG 5.5, which calls for equal representation, participation, and leadership of women in business worldwide, and SDG 8.5, which calls for equal pay for equal work by 2030.

As part of the program, TSKB conducted a performance assessment of its gender equality performance. UN partners provided insights on how to accelerate progress on gender equality while continuing to develop short, medium, and long-term action plans with program objectives.

Equileap
In 2024, TSKB, with its 75-year legacy of creating multifaceted economic, social, and cultural value through a vision of quality development and sustainability, was assessed on gender equality by Equileap, an independent data company based in the Netherlands.

TSKB ranked first with a gender equality score of 71 percent in a study conducted with 1,500 companies in emerging markets. Equileap, which creates Emerging Markets Gender Equality Index to monitor companies' gender equality activities, included only TSKB from Türkiye in its 2024 index.

FOCUS ON INCLUSION IN THE SUPPLY CHAIN

Responsible Procurement and Supply Chain Management
TSKB's procurement and supply chain management processes are guided by the principle of prioritizing local suppliers that offer high quality, cost-effective products and services, demonstrate responsibility and ethics, and have a solid reputation in the market.

Supplier selection and contracting are carried out according to the approved Procurement Regulation. The selection process is conducted in an impartial and fair manner to ensure the selection of suitable suppliers.

As specified in the Sustainable Supply Management Procedure, it is aimed to ensure that suppliers comply with the Bank's sustainability standards. TSKB encourages its suppliers to ensure compliance and provides them with information and expertise when needed. It supports its suppliers to establish ISO 14001 Environmental Management System, 14064 Greenhouse Gas Emissions, and 45001 Occupational Health and Safety Management System, and strives to work with companies that have these certificates.

TSKB takes great care to ensure that the products it purchases are environmentally friendly and recyclable, and encourages its suppliers to manage their greenhouse gas emissions, waste from their operations, and use of resources in accordance with national and international standards.

Sustainable Supplier Survey
In 2024, TSKB conducted a Sustainable Procurement Survey for 50% of its long-term collaborators and/or suppliers with high priority based on a materiality study based on the amount purchased. The survey monitors the ESG (Environmental, Social, Governance) performance of suppliers, evaluates their environmental and social risks and tracks their compliance with sustainability standards. As part of its goal to improve the sustainability performance of its suppliers, TSKB aims to encourage them to collect data on gender equality and develop a gender equality strategy or policy in the coming period.

Project on Gender Equality in Supply Chain
In 2019, TSKB collaborated with the French Development Agency (AFD) and Escarus on a project with a textile industry company regarding gender equality in the supply chain. The main objective of the project was to promote gender equality practices throughout the supply chain of the Bank's client, to assess the gender equality practices of 16 suppliers of the company, and to certify the suppliers with a certificate.

The project also helped to improve data collection on gender equality and provided information and analytical support to practices that promote gender equality in the workplace. Consequently, firms in the company's supply chain were guided to achieve a situation in which their employees have access to the same resources and opportunities regardless of their gender.

After the project, firms in the supply chain gained a clearer understanding of how to remove barriers to women's full and equal participation in the workforce. Escarus conducted evaluations that resulted in the awarding of a globally valid gender equality certificate (CEPS) to company's suppliers based on their total gender equality scores.

SOCIAL VALUE AND CORPORATE SOCIAL RESPONSIBILITY

Projects for the 75th Year

- Narrating books on different subjects ranging from literature, history, culture, and arts to economics for visually impaired individuals with the participation of our employees
- Establishing 4 new kindergartens or renovating existing kindergartens in areas of need by the end of 2025
- Developing a TSKB 75th Anniversary Memorial Forest project in cooperation with TEMA
- Hosting 18 expert guests on economic, sustainable, social, and cultural development topics with the Development Steps Podcast series until the end of the year
- Organizing a project for the composition of a song dedicated to our 75th anniversary as part of the Women Stars of Tomorrow Education Support Fund project that we launched in cooperation with IKSV

Social Value

TSKB strengthens its social capital and expands its impact through long-term projects that generate social value.

TSKB's core business model for Türkiye's qualified development is based on sustainability and inclusion. The social responsibility approach, defined as a fundamental element of the business model, supports investments with environmental and social impact, contributing to the sustainable future of the country.

The Bank is committed to supporting Türkiye's sustainable and inclusive development and in line with this commitment, it conducts culture and arts projects to raise awareness on issues such as climate change, low-carbon economy, and women's participation in production and business on the premise of equal opportunities.

By implementing projects in different areas simultaneously, the Bank is making a significant contribution to setting a good example in the business world, positively impacting the lives of more people, and developing an environmentally friendly production ecosystem.

The growing social capital, collaborations, and experiences of the TSKB are reaching more and more stakeholders through online platforms.

In 2024, 17 young female musicians were eligible to receive funding from the Women Stars of Tomorrow Fund, a long-term social responsibility project carried out in collaboration with İKSV. In total, 107 young female musicians have benefited from the fund in seven years.

Young musicians met with music lovers at the Women Stars of Tomorrow Concert held at Kadıköy Süreyya Opera on Tuesday evening, 28 May. The concert was part of the 52nd Istanbul Music Festival.

TSKB aims to open "100th Anniversary Republic Libraries" in 11 earthquake-affected provinces by 2025 to help rebuild the earthquake zone, and it has already opened its 8th school library at Hatay Anatolian High School. Approximately 6 thousand students were reached with libraries designed in enriched library format. To contribute to the children's reading skills and mental development, the libraries were equipped with more than 35,000 books and various intellectual games, technological equipment, and educational aids.

The TSKB's project for 100th Anniversary I Republican Libraries was recognized with two important awards. TSKB received the Aydın İleri Award for Contribution to Library and Reading Culture from the School Librarians Association and the Social Responsibility and Sustainability Department Award at The Hammers Awards 2024.

Capitals

SOCIAL CAPITAL

SUSTAINABILITY PROJECTS
TSKB Development Day

TSKB is the first company in Türkiye to commit to sustainable development and the first to measure its environmental and social impact. The Bank launched the "TSKB Development Day" for the first time in 2024 to contribute to building an inclusive and sustainable future.

Senior representatives of international organizations such as the World Bank, the French Development Agency, and the Asian Infrastructure Investment Bank, as well as many prominent figures from academia and the business community attended the event held in Istanbul on 4 June. In 2024, in recognition of its 75-year history dedicated to comprehensive quality development, TSKB registered 2 June, the date of its establishment, as "TSKB Development Day" with the Turkish Patent and Trademark Office.

www.cevreciyiz.com

TSKB's inaugural sustainability project, www.cevreciyiz.com, was launched in 2007. It provides comprehensive content on a range of topics, including business ideas on sustainability, environmentally friendly innovation, alternative energy sources, circular economy, climate crisis, and green transformation. Social media channels are used to share and disseminate the impact of the project.

Throughout 2024, a qualified and responsible broadcast stream with more than 256 content items was presented to raise awareness by drawing on research on renewable energy, biodiversity, sustainable living, the environment, and air pollution.

It continues to raise awareness of the climate crisis through social media accounts using infographic narratives, climate lens, statistics, and quotations. cevreciyiz.com will continue to serve as a reliable resource for experts, academics, and students seeking insights on this subject in the coming period.

Carbon Footprint Management

Since 2008, TSKB has been offsetting its entire carbon footprint from internal bank activities by sourcing its electricity from I-REC certified renewable energy companies. The bank also offsets the emissions from the concerts it sponsors at the Istanbul Music Festival.

Scholarship Fund: Empowerment Through Education

The TSKB Empowerment Through Education Fund, which was established in 2017 in cooperation with the Turkish Education Foundation (TEV) to promote women's economic empowerment, provides annual scholarships to female university students in the third and fourth grades. The project also includes mentoring and inspiration meetings for scholarship recipients. So far, 320 female students have received scholarships under this fund.

#EşitAdımlar

The digital platform, launched in cooperation with the Sustainable Development Association (SKD Türkiye), offers a comprehensive guide to companies interested in supporting women's employment and developing an equal opportunity approach in the workplace. As a digital library that makes effective use of social media channels, #EşitAdımlar includes best practices from Türkiye and around the world, roadmaps, applicable standards and legislation, and high-quality research in the field. The platform has approximately 23 thousand followers on the social media. In 2024, a total of 254 original content was published on the #EqualSteps website and digital channels. The concepts of "Let's Take an Equal Step" and statistics were used to raise awareness on equal opportunities.

Women Stars of Tomorrow

TSKB considers contributing to culture and the arts to be among the activities that add value to society. To this end, the Bank has supported concerts at the Istanbul Music Festival organized by the Istanbul Foundation for Culture and Arts (IKSV) since 1990. The Women Stars of Tomorrow Educational Support Fund, established as part of the Music Festival, contributes to the advancement of the careers of talented young female musicians on the international stage in the areas of instrument playing, singing, and conducting.

Female musicians who have been accepted to a music school abroad at the undergraduate or graduate level, who are continuing their music education abroad, or who need support to attend events such as master classes, orchestra auditions, international competitions, or to purchase instruments that will contribute positively to their career development are eligible to apply for this fund.

A total of 107 students have benefited from the scholarship fund to date, including 17 students in 2024.

Sharing Experiences

TSKB shares the economic, environmental, and social impacts of its corporate banking and advisory service and lessons learned with a wide audience and improves stakeholder interaction. The Bank receives input and suggestions from all stakeholders through regular Stakeholder Dialogue meetings and seeks to involve all relevant parties in the Bank's development journey. It actively uses industry events to strengthen communication with stakeholders.

TSKB shares its expertise both in Türkiye and internationally by participating as a speaker in capacity-building training events and global summits. In 2024, the Bank continued to engage effectively with its stakeholders, sponsoring 7 events.

- Uludağ Economic Summit
- SKD Türkiye - Sustainable Finance Forum
- Istanbul Marketing Summit
- TKYD (Corporate Governance Summit)
- ITU Carbon Summit
- Fast Company Sustainability Leaders
- NBE - Transforming Leadership Summit 2024

In addition to sponsoring events, the bank also participates as a speaker or participant to make the exchange of experiences more effective. In 2024, TSKB sponsored 7 conferences and participated in 57 events as a speaker.

Some of the national and international panels attended throughout the year

- COP29
- UN Global Compact COP29 Evaluation Session
- BNY Mellon 2024 Client Seminar Istanbul - "Bridging the GAP: Aligning Banking Sector Initiatives with COP29 Objective" panel
- Pathways to Paris Conference 2024
- World Bank "Knowledge Sharing: Distributed Solar PV and Battery Program in Türkiye" event

Capitals

HUMAN CAPITAL

At TSKB, we remain committed to investing in human resources and employee development, aligning our efforts with the requirements of sustainability and our corporate strategy.

We believe that when human capital is provided with equal opportunities in a fair and inclusive environment, it can reach its full potential and significantly contribute to our performance. To this end, we promote diversity and inclusion within our human capital as part of the comprehensive development approach in our banking activities. At TSKB, we remain committed to investing in human resources and employee development, aligning our efforts with the requirements of sustainability and our corporate strategy.

6 Awards to TSKB in Human Resources

At the Excellence Awards 2024 organized by the Brandon Hall Group, TSKB won a total of 6 awards (4 gold and 2 bronze). Recognized three years in a row at the Brandon Hall Awards for its people-centric approach, TSKB won gold awards in the categories of Best Unique or Innovative HR Program, Best Recruitment Marketing and Employer Branding Program, Best Unique or Innovative and Development Program, and Best Employee Engagement Program. The Bank also received bronze awards in the categories of Best Extended Enterprise Learning Program and Best Use of Social/Collaborative Learning.

36%*

Sustainability development journey

Sustainability development journey completion rate

44%*

The usage rate

The usage rate of our mobile application Reflex, which supports real-time feedback, appreciation, and interaction

*2024 Realization

Capitals

HUMAN CAPITAL

2024 TARGETS AND REALIZATIONS

Target	Realization
To maintain the female employee ratio at a minimum of 50%	51%
To keep the gender pay gap below 5%	0.05
To ensure the annual average training hours per employee remain at a minimum of 45 hours	45.7 hours
To maintain the Sustainability Development Journey completion rate at a minimum of 50%	36%
To ensure the usage rate of our mobile application Reflex, which supports real-time feedback, appreciation, and interaction, is at or above 50%	44%
To provide user-friendly mobile and support applications under the motto "We Value Us!" to promote employee well-being and work-life balance.	Meditopia Meditopia Yoga Avita Wellness Week
To conduct at least one "Needs&Leads" session with participation from our employees, in collaboration with TSKB Technology and Entrepreneurship Platform, featuring inspiration sessions, trend talks, and meetings with entrepreneurs.	2 different Needs&Leads Meetings
To implement at least one new awareness-raising event within the scope of inclusivity efforts (support for disadvantaged groups such as disabled employment, youth employment, providing training on inclusivity for employees, etc.)	Parenting Roles Program | Adolescence - New Theme Gender Equality Workshop

2025 TARGETS

Target
To maintain the female employee ratio at a minimum of 50%
To keep the gender pay gap below 5%
To implement at least one new awareness-raising project within the scope of inclusivity efforts (support for disadvantaged groups such as disabled employment, youth employment, providing training on inclusivity for employees, etc.)
To offer employees two new programs in different themes under the motto "We Value Us!" to promote employee well-being and work-life balance (physical and psychological health, finance, child development, etc.)
To ensure the annual average training hours per employee remain at a minimum of 45 hours
To launch a new program in collaboration with the TSKB Technology and Entrepreneurship Platform to support entrepreneurs
To organize at least two new programs to enhance real-time feedback and appreciation communication among employees within the organization
To launch a mentorship program in an online format focused on development and sustainability themes, where university students can engage with mentors
To implement a mentorship program where employees can meet with top executives from different disciplines

Capitals

HUMAN CAPITAL

HUMAN RESOURCES AND DEVELOPMENT IN 2024

Human Resources Principles
TSKB embraces the principles of the Universal Declaration of Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the United Nations Guiding Principles on Business and Human Rights (UNGP), the United Nations Sustainable Development Goals and the United Nations Convention against Corruption and conducts all its activities in accordance with these principles and the applicable labor legislation in Türkiye.

TSKB is committed to complying with international human rights standards and ensuring that all stakeholders, including its employees and suppliers, comply with them. List Of Activities That Are Not To Be Financed provides guidance to help ensure compliance.

Please click here, for TSKB Human Rights Policy

Data on Human Resources
The number of bankers working at TSKB as of 2024 was 414. The ratio of female employees in senior management was 36%, and the ratio of female employees in management was 53% in the reporting period. The ratio of female members on the Board of Directors is 36%.

TSKB aims to maintain the high level of performance of its employees and to keep the brand loyalty at a high level. Following the efforts carried out in line with this target, the turnover rate among high-performance bankers in 2024 was measured at 3.8%, while the voluntary turnover rate across the Bank was 7%.

The Bank continuously improves its human resources strategies and promotes diversity to increase employee satisfaction and support sustainable growth.

Banking Ethics Principles Training

TSKB conducts the Banking Ethics Principles Training every year to raise awareness among its employees regarding the activities within their operational cycle.

Gender Equality Workshops

Gender equality awareness-raising workshops are organized to increase awareness of gender equality, with participation from employees across various departments of the Bank.

Human Capital Metrics
Please see our website
for human capital metrics.

Continuous Learning and Development

TSKB aims to develop human resources through tailored learning programs. In line with this goal, it undertakes a range of learning and development activities to enhance the employees' technical and professional knowledge, as well as their personal skills and well-being.

The Bank offers different programs suitable for each level to enhance the leadership skills of its employees and prepare them for the future. While implementing global leadership development training programs for department heads, one-on-one coaching sessions are organized for managers at different management levels through a platform that provides coaching solutions. TSKB plans to diversify its current activities in 2025, with a particular focus on implementing new initiatives related to physical and mental health.

Partnering for the Future

The Sustainability Development Program, created with the support of TSKB's subsidiary Escarus, continues to be broadcast on the digital education platform, Partnering for the Future (GOO).

Capitals

HUMAN CAPITAL

In 2024;

- An average of 45.7 hours of training was provided per employee.
- As part of its sustainability activities, the Sustainability Development Program, created with the support of TSKB's subsidiary Escarus, continued to be broadcast on the digital education platform, Partnering for the Future, with the aim of increasing employees' knowledge and awareness. The program covered topics such as the historical development of sustainability, CSR, zero waste, energy efficiency, and gender equality. The Seed Dropping project, which supports the environmental and social dimensions, was brought to life in collaboration with Ecording. In 2024, a seed dropping activity was carried out on behalf of 173 employees.
- To support the development of employees, one-on-one coaching and domestic and international development trainings were organized. In addition, participation in technical and professional training programs was carried out.
- Each year at TSKB, employees are provided with awareness-raising training on money laundering and the prevention of the financing of terrorism, in accordance with MASAK regulations. To successfully complete the training, participants are expected to pass the exam at the end of the course.
- Each year, Banking Ethics Principles Training is conducted to increase the awareness of bank employees regarding their operational cycle.
- To promote internal awareness of compliance with anti-bribery and anti-corruption legal regulations, ethical and professional principles, and universal standards, the Anti-Bribery and Corruption Training is provided annually.
- Our bank has started working with a next-generation language platform to support the professional foreign language development of our human resources.
- With employee-focused projects, preparations for life support needs such as food, supplies, and equipment were made to create a strong earthquake-aware corporate culture and raise employee awareness. Individual Earthquake Preparedness Training for employees and "Practical First Aid Training" featuring case studies for our certified first aid teams listed in the TSKB Emergency Plan were conducted.
- For the past two years, Gender Equality Workshops have been organized to raise awareness about gender equality, with participation from employees across various departments of the Bank.

In 2025, the Bank plans to diversify its existing activities and launch new ones, particularly in the area of physical and mental health.

As part of TSKB's activities to mark its 75th anniversary, workshops were organized with employees to reinterpret the Vision, Mission, and Values set from a forward-looking perspective.

In 2025, TSKB will continue to invest in multi-faceted development of human resources, taking into account the requirements of its corporate strategy.

Diversity and Inclusion
TSKB does not make any discrimination in its recruitment process on the basis of gender, religion, national and social origin, race, marital status, age, political opinion, mental or physical disability, social class difference, HIV/AIDS status, philosophical beliefs, trade union membership, sexual orientation and similar visible or invisible reasons. The Bank does not discriminate among its employees. It provides a work environment based on the principles of diversity and inclusion. All TSKB employees are treated equally and without discrimination in matters such as training and development opportunities, remuneration, working hours, job security, performance evaluation and promotion, maternity benefits, occupational health, and safety.

In 2024, the text of the job advertisements used for career opportunities was updated to express TSKB's responsible approach: "At TSKB, where we have a fair, ethical and inclusive approach to banking, we ensure equal opportunities for our employees; we jointly take responsibility for sustainable development by knowing the value of different voices, different colors and building respectful relationships."

During the reporting period, the Bank did not receive any complaints alleging discrimination.

Employee Communication Mechanisms
To improve communication between employees, Let the Experts Talk meetings, where employees share their hobbies with colleagues, were continued. During the reporting period, two Let the Experts Talk meetings were organized in gastronomy and arts.

At the end of each quarter, TSKB employees meet with Human Resources representatives around a theme. Feedback culture, the use of the employer's brand and LinkedIn, individual readiness for the Istanbul Earthquake, and the learning organization were the topics discussed with human resources representatives during the year.

Employee Wellbeing
Under the motto " We Value Us!", TSKB implements various practices that focus on the well-being of the employees.

To promote employees' work-life balance, the Bank offers meditation practices, an employee support application, psychological counseling services with an expert clinical psychologist, themed webinars and holistic health studies with a physiotherapist. In addition, workshops on physical activity, hobbies and spiritual awareness are organized as part of the annual Healthy Living Week.

As part of 2024 activities;
Corporate physiotherapist and Pilates instructor continued to provide weekly sessions for employees for 6 months.

One-on-one counseling sessions for expecting mothers, first-time parents, and special case parents continued in the program titled Birth Preparation, Return to Work, and Parental Roles. Parents of 2-16-year-olds participated in closed group experiential and individual counseling sessions. As part of the Thematic Counseling Programs, seminars on "Back to School" and Adolescence" were held with parents.

TSKB Human Resources Regulation was updated, and new leave categories, including Birthday Leave and Pregnancy Leave, were added to the regulation, in addition to leaves such as Paternity Leave, Adoption Leave, and Leave in Case of Home Damage in Natural Disasters.

Twelve activities, including yoga, meditation, breast cancer awareness, healthy snacks, and hands-on workshops, were organized during the Healthy Living Week.

In 2025, the Bank plans to diversify its existing activities and launch new ones, particularly in the area of physical and mental health.

TSKB'de Etkili Kariyer

Job Opportunities Provided to Students After Internship
TSKB continues to interact with young talents from their university years into the future and offers job opportunities.

The Bank uses the **TSKB Effective Career** brand in its communications for long-term internship recruitment. In 2024, 48 interns worked part-time at the Bank. Buddies assigned to the interns within the program facilitated their adaptation process. Interns were provided with **Certified Intern Academy** training through the training platform. During the reporting period, 8 interns started to work at the Bank as full-time Assistant Specialists.

Capitals

HUMAN CAPITAL

A Structure Growing with New Employees
Growing with new employees, TSKB continued its recruitment activities during the reporting period. In total, 59 people joined the bank, including 24 new graduates and 35 experienced hires, to meet the needs of various departments. Orientation and mentoring were provided to help new employees adapt to TSKB as soon as possible.

As part of the 11th TSKB Career Workshop program, organized to attract new graduates to the Bank, 10 Management Trainee started work.

Throughout the year, training programs were planned to contribute to the professional and personal development of new graduates. In order to speed up the adaptation and orientation of the MTs who started working with TSKB Career Workshop, the Human Resources Buddy initiative was launched.

Remuneration Management
Remuneration management in the Bank is based on the principle of equal pay for equal work, as set out in its remuneration policy.

Gender is not a variable used in remuneration decisions. Employees performing similar work are remunerated at similar levels. Since employee demographics and tenure can have a differentiating effect on the overall level of median pay for men and women, the balance of pay between men and women by position and gender is continually and carefully monitored. At the end of 2024, the median gender pay gap was 5%.

TSKB implements a remuneration policy that is competitive and responsive to market dynamics. In addition to company dynamics, market data are taken into account when determining remuneration levels. To this end, expert independent consultants are consulted and regular remuneration market surveys are conducted.

The remuneration policy, which applies to all TSKB employees, including senior management, serves the Bank's objectives of attracting and retaining employees with the skills and qualifications required by the Bank. The Bank pays annual bonuses to employees who comply with the principle of gender equality, the risk management framework, and ethical values and balances.

Working Model and Locations

In line with the changing conditions of business life, TSKB has implemented a hybrid working system that allows employees to work from the office 2 days a week and remotely 3 days a week. In 2024, the average hybrid operation rate was 54%. The employees of the Bank's Information Technology unit are offered the option to work remotely and/or from out of town at all times.

The Bank has a Flexible Working Model, which allows employees to flexibly organize their working hours according to their personal needs and productivity. This model supports productivity and flexibility in the work environment by allowing people to work in different time zones.

The Ankara Development Base, which was built as TSKB's second campus and development hub in line with the Bank's business continuity objective, was inaugurated on 15 August 2023. By the end of 2024, the number of Ankara Office employees, including the employees of subsidiary companies, was 70.

Updated Career Structure

In 2023, human resources consulting was engaged in organizational benchmarking, job evaluation, sub-job families, creation of a new title structure, and career management. In 2024, as part of the second phase of the project, the TSKB Technical Knowledge and Skills Set was updated, and role-based Critical Experiences were identified.

Upon completion of the second phase, the Managerial-Technical Career Pathways were designed to reward technical knowledge and expertise in managerial and higher positions, as well as to deepen technical expertise. In addition, the Horizontal Career Path model provided employees with career opportunities that allowed them to advance.

The promotion program was reviewed as part of career architecture development efforts. The periodic promotion program, which used to be conducted once a year, is now conducted twice a year.

The library focused on knowledge and skills, was expanded as part of the transition to skills-based talent management, and supported by the Career Portal infrastructure. This infrastructure, integrated with next-generation learning tools and artificial intelligence, allowed TSKB employees to transparently track their knowledge and skill levels, career paths, and actions they can take regarding their career management through a single platform. The platform was also integrated with next-generation learning tools and artificial intelligence.

In 2025, TSKB aims to develop new projects to increase the level of HR digitalization.

Succession Planning

Succession planning is carried out for the critical positions that have been identified to ensure the continuity of management at TSKB.

The knowledge and skills library, supported by the career portal infrastructure, is now being used as a succession planning resource to prepare for the future. In the coming years, the results of the development plans will be analyzed, potential employee needs will be identified, and the necessary preparations will be made through the Career Portal.

Internal Transfer supports the horizontal career movement of TSKB employees to enhance their job diversity, technical knowledge, skills, and competencies. In 2024, 9 employees had the opportunity to change departments through internal transfers and 7 employees rotated through different departments.

Reward and Recognition

By incorporating reward and recognition mechanisms that are changing and diversifying around the world, TSKB is implementing new models to increase its competitiveness, the quality of its human capital, and employee loyalty.

In 2024, employees who achieved exceptional results in the following categories were recognized:

- Profit Makers
- Business Transformers
- Creative Innovators
- Digitalizers

304 TSKB employees were given motivation awards.

Capitals

HUMAN CAPITAL

USER-FRIENDLY AND DIGITALIZED HR PRACTICES

In 2022, TSKB completed all functions of the HR Digital Platform PrizmatİK, which was commissioned as part of the digitalization efforts launched in 2020 to ensure end-to-end monitoring of HR processes, provide user-friendly applications, identify needs, and increase transparency. In 2023, the platform became more digital. Access to internal HR applications was facilitated by enabling e-signed documents and payroll requests. In addition, training and development management was made more accessible to employees, and improvements were made to the performance management system's assessment screens. As part of the Reflex mobile application, which was launched to spread and transform the Bank's culture of immediate and effective feedback and recognition mechanisms, arrangements were made to facilitate the adaptation of recruits to the Bank and to increase awareness of the applications. The Reflex platform provides a one-stop source for all useful information on human resources practices.

"We Value Us!" web page, a Human Resources platform that provides easy access to human resources practices including career development, performance management, well-being programs, training, employer branding, and other human resources practices and processes, was launched.

Efforts continued to create a digital platform that includes business intelligence applications that can track quantitative human resources data instantly and periodically. It is aimed to track department-based employee numbers, recruitment data, training hours, demographic distribution and other information through this platform.

TSKB TECHNOLOGY AND ENTREPRENEURSHIP PLATFORM

TSKB Technology and Entrepreneurship Platform, which was established in 2018 in cooperation with the Turkish Entrepreneurship Foundation (GirVak) to keep pace with the rapid changes in the world and to develop new ways of doing business and innovative perspectives, organized Reverse Mentoring, 3 Need&Leads, 2 design thinking workshops, 2 Inspiration Meetings, 1 start-up meeting and 2 Trend Talks with 10 mentors and mentees in 2024. Reverse mentoring topics included entrepreneurship, sustainability, social impact, technology, artificial intelligence, Gen Z perspectives, and leadership.

In 2025, Türkiye's first venture builder program in finance will be established in cooperation with the Turkish Entrepreneurship Foundation. It is planned that the early and advanced-stage startups affected by the earthquake will be included in the program from the idea stage to the financial support stage.

2024 REFLEX PLATFORM STATISTICS

Throughout the year, TSKB employees' feedback was gathered with 36 surveys. (7 Motivation, 3 Development, 2 Healthy Life, 6 Worklife, 5 Feedback, 5 Team Effectiveness, 4 Environment of Trust and 4 Emotional State). The results were communicated to managers and senior management via e-mails including the teams.

STRONG EMPLOYER BRAND

In 2024, 56 different events, including 22 lectures at 18 universities, 18 event speakers, 13 club events, and 3 career fairs, were attended as part of strong employer branding activities.

61 employees represented TSKB as speakers at the events. Seminars and courses tailored to the needs of the students provided not only technical information but also information on how to apply the academic knowledge acquired in school to the business world. Collaborations with target universities continued. Promotions were made for the target employee group at various university club events.

TSKB is committed to transparent communication with its employees, the maintenance of feedback channels, and more interaction.

TSKB Career's Instagram and LinkedIn social media accounts were used to inform the target audience about the Bank's activities, as well as external events in which the Bank's employees participated.

In 2024, the 12th Sustainability Workshop was held to increase student sustainability literacy in line with the sustainability mission. 29 students from 10 universities and 11 departments participated in the workshop held at the Bank.

Employee Engagement
TSKB is committed to transparent communication with its employees, the maintenance of feedback channels, and more interaction. To this end, employee satisfaction and loyalty are measured annually through the Employee Engagement Survey. Employees are allowed to share their thoughts and suggestions. The participation rate in the 2024 Employee Engagement Survey, in which 388 employees participated, was 90%. The participation rate last year was 81%.

KEY FINDINGS OF THE EMPLOYEE ENGAGEMENT SURVEY
Titles with the highest scores recorded in 2024 compared to the previous year
Talent and Staffing
Rewarding and Recognition
Satisfaction with Senior Management
Brand
Performance Management
Diversity and Inclusion
TSKB's Strengths
Importance Given to Workplace and Occupational Safety
Social and Environmental Awareness
Equitable Approach in Training and Development Opportunities
Support/Leave for Special Exemption Situations
Gender-Equitable Application of Performance Evaluation
Questions with the highest scores recorded compared to other sectors, especially banking
My organization is considered one of the best institutions to work for someone with my skills and experience
The future career opportunities in this organization look promising
This organization strongly supports the training and development of its employees
This organization offers excellent career opportunities for high-performing employees
In our organization, we promote employees with the skills necessary to help us achieve our goals.

Capitals

INTELLECTUAL AND MANUFACTURED CAPITAL

Ensuring business continuity in our bank is critical. Enhancing the competencies of our employees, optimizing processes, and securing the technological infrastructure are priorities. In this context, conducting risk analyses to identify potential hazards, taking the necessary precautions, and increasing our preparedness level through regular drills are essential parts of our business continuity plans.

9.7/10*

Net Promoter Score

Net Promoter Score in Advisory Services

28.34*

Productivity gain per human-year

Transforming the digital IT systems infrastructure across all business sectors with synergistic and efficiency-boosting solutions using the latest technologies

*2024 Realization

Capitals

INTELLECTUAL AND MANUFACTURED CAPITAL

2024 TARGETS AND REALIZATIONS

Target	Realization
To continue contributing to impact-driven work in line with our mission, in cooperation with all relevant ministries, regulatory bodies, and institutions, within the framework of medium and long-term development goals	Stakeholder engagement activities consisting of representatives from the public and private sectors, primarily the TBA Sustainability Working Group Contributions to sectoral action plans.
To support all investment strategies from the perspective of development banking, especially prosumer energy investments within the scope of sustainability and green transition investments under the Green Deal, addressing financial, technical, and economic aspects	Advisory revenues related to prosumer energy investments and green transition projects of companies represent a significant share within the total volume
To contribute to our clients' access to sustainable finance through feasibility, financial, and technical reports	Access to sustainable finance and incentive mechanisms, an alternative financial support, through feasibility studies prepared for the Bank and official institutions (e.g., Ministry of Industry and Technology of the Republic of Türkiye).
To maintain a Net Promoter Score (NPS) of 9 or higher in Advisory Services	9.7/10
To deliver 40 awareness-raising presentations to 15 different companies within the scope of advisory services, covering ecosystems, development, and macroeconomics	95 presentations to 32 different companies
To highlight the ecosystem crisis with a perspective that includes not only climate but also biodiversity, pollution, and nature, through the Ecosystem Review, and to publish a new report every quarter in both Turkish and English to support intellectual capital with current developments	"Energy Transformation," "Dimensions of Pollution," "Blue Economy," "Nature Positive"
To publish 2 reference reports in the TSKB Development Perspective category, focusing on macroeconomics and development	4 reference reports focusing on macroeconomics and development
To continue facilitating sustainable/green-labeled transactions in Investment Banking in the upcoming period	Due to market dynamics, the volume of sustainable/green-labeled transactions remained limited.
To establish the Turkiye Green Fund and invest in green and green technology-focused companies that will contribute to our country's net-zero target	In December 2023, the Turkiye Green Fund was established and became effective under the Green Finance Project loan agreement with the IBRD, guaranteed by the Ministry of Treasury and Finance of the Republic of Türkiye.
To transform the digital IT system infrastructure across all business lines to increase synergy and efficiency with the latest technologies	Through infrastructure transformation, 28.34 person-years of gain were achieved.
To place digitalization at the core of the business model, increase end-to-end digital solutions, improve user experiences, automate processes defined under Robotic Process Automation (RPA), and implement 20 RPAs	A total of 25 processes were automated in 2024
To increase the number of projects conducted by our sustainability consultancy affiliate, Escarus, by 6%, increase the number of institutions contacted for proposals by 10%, and increase the number of proposals sent with their budgets by 5%	A 6% increase in the number of projects conducted, a 10% increase in the number of institutions contacted for proposals, and a 5% increase in the number of proposals sent with their budgets.
To aim to be in the top 10 of the sector rankings with our TSKB Gayrimenkul Değerleme affiliate, achieve 200 new customers, and convert 60% of incoming requests into contracts	Ranked in the top 3 in the sector, TSKB GMD reached 200 new clients throughout the year and recorded a 60% contract conversion rate.

2025 TARGETS

Target
To continue contributing to impact-driven work in cooperation with all relevant ministries, regulatory bodies, and institutions, within the framework of medium and long-term development goals, in line with our mission
To support all investment strategies from the perspective of development banking, especially prosumer energy investments under sustainability and green transformation investments within the scope of the Green Deal, addressing financial, technical, and economic aspects
To contribute to our clients' access to sustainable finance through feasibility, financial, and technical reports
To maintain a Net Promoter Score (NPS) of 9 or higher in Advisory Services
To publish 2 "Ecosystem Review" papers to raise awareness about the ecosystem crisis and support intellectual capital with current developments
To publish 2 reference reports in the TSKB Development Perspective category, focusing on macroeconomics and development
To deliver 50 awareness-raising presentations within the scope of consulting services to 20 different companies on ecosystems, development, and macroeconomics
To transform the digital IT system infrastructure across all business lines to increase synergy and efficiency with the latest technologies
To place digitalization at the core of the business model, increase end-to-end digital solutions, improve user experiences, and achieve 13 person/year of full-time employment gain
To establish the Türkiye Green Fund and invest in green and green technology-focused companies that will contribute to our country's net-zero target
To increase the number of projects conducted by our sustainability consultancy affiliate, Escarus, by 10%, increase the number of institutions contacted for proposals by 5%, and increase the number of proposals sent with their budgets by 5%
To participate in projects that will expand corporate sustainability awareness and practices across a wide geography in Türkiye, while also supporting the inter-sectoral development of sustainability knowledge and increasing public-private sector collaboration
To continue supporting the real sector in aligning with the European Green Deal through the additional responsibilities undertaken in 2025 under the "Responsible" program run by the Ministry of Trade, with our sustainability consultancy affiliate, Escarus
To aim to be in the top 3 of the sector rankings with our TSKB Gayrimenkul Değerleme affiliate, reach 200 new clients, and convert 60% of incoming requests into contracts

Capitals

INTELLECTUAL AND MANUFACTURED CAPITAL

INFORMATION SECURITY

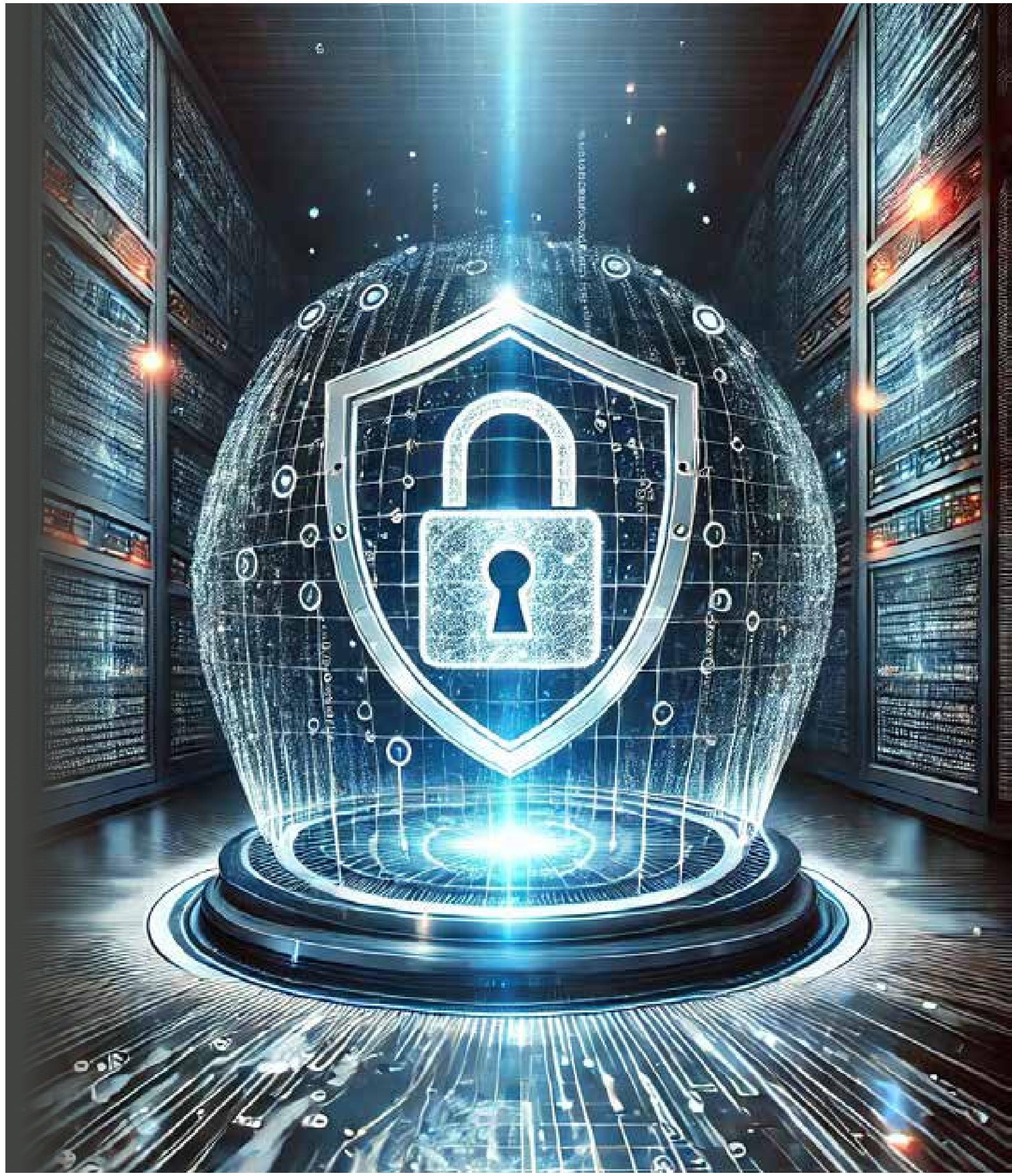
TSKB builds structures to secure all information technology (IT) assets, including people, processes, and technology, to ensure business continuity and focus on business objectives. The Bank constantly monitors new and advanced security systems and implements the most effective security solutions.

TSKB's information security policies and standards are formulated according to national and international legislation, standards and best practices in line with the Bank's corporate strategy.

In 2021, TSKB received ISO 27001 certification as part of its goal to have the adequacy of its information security management system assessed and certified by an expert institution. In 2024, information security management system activities were reviewed as part of the periodic ISO 27001 audit and the findings of the audit were implemented effectively.

Activities carried out to identify security risks include regular security vulnerability scans by TSKB information security teams, annual penetration tests by independent audit firms, cyber drills, payment systems compliance audits, desk drills, and information systems process audits under BRSA legislation.

The human factor is just as important as technical measures in ensuring security. Information security policies and standards are designed to instill a culture of security throughout the organization and ensure that all employees share in the responsibility for security. Employees are provided with training and awareness campaigns are conducted in this regard. Clean desk checks and phishing attack simulations are performed.



The Bank also requires its suppliers to adopt a diligent approach to information security compliance and awareness. Suppliers are subject to risk assessments and their performance is regularly monitored. Supplier agreements contain clauses on information security, and suppliers with access to TSKB's network are required to complete training for awareness of information security.

Supplier agreements contain clauses on information security, and suppliers with access to TSKB's network are required to complete training for awareness of information security.

Highlights of 2024 information security activities

- The Information Security and Quality Department conducted two cyber drills at the Bank: one cyber drill with the external company and two cyber drills by The Information Security and Quality team members to test the adequacy of the security monitoring service received and to be prepared in case of cyber incidents. The Information Security and Quality Department and the System Support and Operations Department worked together to address the corrections identified, and the necessary actions were taken. Actions taken were tested for correctness.
- Technical infrastructure was improved by expanding the scope of vulnerability scanning activities, as well as internal penetration tests to detect and fix security vulnerabilities before they are exploited.
- As a result of the audits carried out by the consulting firm to determine the compliance of SWIFT infrastructure and related processes with the SWIFT Customer Security Program, the compliance of TSKB infrastructure and systems with the expected standards was verified.
- Surveys were conducted to measure the satisfaction levels of employees regarding the services provided by the Information Technologies Units, and the results were followed up.
- In 2025, TSKB aims to strengthen its security infrastructure and further increase the automation and efficiency levels of control and monitoring processes.
- In addition to procuring new products to improve the security infrastructure, the goal is to further improve the overall maturity level by streamlining and optimizing the existing infrastructure and to increase the effectiveness and efficiency of these processes by strengthening the automation infrastructure in the periodic control processes.

DIGITALIZATION AND INNOVATION

TSKB makes its processes more efficient and provides effective solutions to its clients through innovative approaches to information technology and digitalization. Digital transformation projects are treated as a strategic priority, and value is created through the integration of technology at every stage of the operations.

Business processes are simplified and automated through new technologies, contributing to increased efficiency. The implementation of these projects is an important step toward the achievement of process improvement and automation goals.

AI-powered data analysis is on the agenda at TSKB. Decision-making mechanisms are strengthened with ongoing work in data analytics. Developing a data-driven business model enables rapid access to data. After training to improve their skills, bank employees can create their own reporting solutions using business intelligence tools.

Capitals

INTELLECTUAL AND MANUFACTURED CAPITAL

In addition to increasing the maturity of digitization in core banking processes, TSKB will continue to offer solutions that provide a lean experience and integrated access. In 2024, three major IPOs were completed very quickly and successfully, with new regulations in place for IPO intermediation transactions.

The level of process automation is increased through the use of technologies such as Business Process Management (BPM), Robotic Process Automation (RPA), OCR, and machine learning. With more than 100 RPAs in production, additional employment gains are achieved and employees are empowered to add more value in multiple areas. The goal is to further enhance document processing and RPA processes with Intelligent Document Processing (IDP) technologies.

TSKB's goal is to improve client and user experiences and achieve efficiency by integrating AI into business processes. To this end, the Bank continues to work on artificial intelligence and machine learning. Therefore, studies on the responsible use of artificial intelligence are also important.

TSKB's resilience to cyber threats is enhanced by investments in information security. New-generation security solutions are integrated into the systems and training is organized for employees on awareness of information security.

The advisory services are the concrete and strongly value-driven outputs of the knowledge accumulation, discipline, and working style that we have built over a 75-year period at our Bank.

Projects are successfully implemented with the advantages of using appropriate technology, strong technological infrastructure, competent human resources, and new-generation working models. In order to adapt to the new generation of technologies, to ensure collaboration between technology and people, to train more young people, and to develop talent, digital literacy training programs are organized.

BUSINESS CONTINUITY MANAGEMENT

Employees at the TSKB Ankara Development Hub received special Business Continuity Management (BCM) training and awareness activities to minimize the impact of potential regional disasters and ensure geographic redundancy. Activities included regulatory compliance, training and awareness, crisis management, contingency testing, and running the production environment from the disaster recovery center. BCM teams practiced special simulation and emergency technology exercises.

TSKB ADVISORY SERVICES

TSKB creates value for its clients in financial planning and strategy, feasibility, structuring, valuation, financing advisory, sectoral analysis, technical due diligence, industrial transformation, energy/resource efficiency, and project-based incentive reporting in financial and technical advisory. The Bank also provides consulting services in macroeconomics, export strategy, and sustainable development analysis as part of its economic research.

Part of the services designed in line with the consulting bank approach are provided through synergistic cooperation with TSKB Gayrimenkul Değerleme and Escarus, subsidiaries of TSKB.

Domestic and foreign investors are guided by the visionary consulting services offered in real estate. In the field of sustainability, structured and tailored solutions are developed during the process of integrating globally accepted approaches into the Turkish business world.

In 2024, advisory services for sectors such as iron and steel, metal and machinery, chemicals, and holding companies with various business lines, particularly in the energy sector, were particularly prominent. The consulting activities focused on SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 12 (Responsible Production and Consumption), and SDG 13 (Climate Action).

Net fee and commission income, including revenues from consulting services, increased above the inflation rate during the same period.

Leveraging its strength in providing multidimensional services, TSKB will continue to enhance its consulting services, share its expertise and know-how with clients, and further diversify its support for sustainable and robust development in the upcoming period.

TSKB ECONOMIC RESEARCH

TSKB Economic Research, the umbrella brand for TSKB's core areas of focus, is structured around three key areas: "Macroeconomics and Financial Markets," "Development Economics," and "Energy and Resources Research".

TSKB Economic Research publications not only underpin the Bank's lending, marketing, treasury, consulting, and representation activities but also serve as a strategic instrument for disseminating valuable insights to external stakeholders. Through its Economic Research activities, TSKB fosters the corporate transformation of its external stakeholders, enhancing their competitiveness and, consequently, positively influencing their profitability and reputation.

In 2024, 423 publications were published, including the following periodicals:

- **TSKB Gündem,** where assessments of the daily flow of macroeconomic and development news are shared,
- **TSKB Haftalık Gündem,** which includes economic and non-economic developments of the previous week and a brief analysis of the new week,
- **Makro Görüş,** which contains analyses and assessments of macroeconomic data,
- **Ecosystem Review,** a quarterly publication that takes the pulse of the ecosystem crisis agenda,
- **Energy Bulletin,** which discusses developments in the energy sector on a monthly basis in Turkish and English,
- **TSKB Development Insights,** which presents reference reports focusing on macroeconomics and development
- **Nitekim,** where issues around development, trade, macroeconomics and the climate crisis are covered.

The following publications were also issued in the reporting period:

- In the context of the earthquakes in Türkiye, "The Fault Line Deep Down: Gender Inequality" was published, exploring the two-way interaction between the impacts of disasters and gender inequality.
- In the wake of the earthquake disaster, TSKB Economic Research, as part of its three-year commitment to raising disaster awareness and preparedness, analyzed the economic impact on the affected region in the study titled "Comma: An Earthquake Year is Not a Single Year" and offered its recommendations for the rehabilitation process.
- The study titled "Beyond Recovery: Disaster Resilience" explored disaster resilience and its contribution to sustainable development.

TSKB Economic Research, the umbrella brand for TSKB's core areas of focus, is structured around three key areas: "Macroeconomics and Financial Markets," "Development Economics," and "Energy and Resources Research".

- The report "From Carbon to Credits: Regenerative Agriculture and Carbon Credits" discussed the importance of soil for ecosystems and people, regenerative agriculture for soil conservation, and the carbon credits that can be generated through regenerative agricultural practices. The report suggested prioritizing the earthquake zone in Türkiye for the implementation of restorative agriculture practices and discussed how these practices could contribute to the region's recovery and reconstruction.
- With a macro-development perspective, the report titled "All Show and No Go: What Remains from COP 29" was shared with internal and external stakeholders, both before and after COP.
- The "Light in Weight but Heavy in Value: Nature Positive From an Economic Perspective" issue of the Nitekim report, which discusses the importance of the Nature Positive framework introduced because of the ecosystem crisis in the context of macro-financial stability, was presented to internal and external stakeholders.

Capitals

INTELLECTUAL AND MANUFACTURED CAPITAL

With a team of 16, TSKB EWG stays closely connected to the energy sector, publishing annual reports in both Turkish and English. The team also writes reports on special themes in the energy sector.

ENERGY WORKING GROUP

Founded in 2018, the TSKB Energy Working Group (TSKB EWG) aims to share the experience and expertise developed in the energy sector, with contributions from the Bank's three different disciplines, with both internal and external stakeholders.

With a team of 16, TSKB EWG stays closely connected to the energy sector, publishing annual reports in both Turkish and English. The team also writes reports on special themes in the energy sector.

Published in 2024, the reports titled "Offshore Wind Power Plant Briefing Note," "Heat Pump Briefing Note," and "Pumped Storage Hydroelectricity Power Plant Briefing Note" offered stakeholders a comprehensive perspective on the technologies likely to play a key role in the Turkish energy sector in the coming years. The team will continue working in 2025 as well.

TSKB BLOG

Built on 75 years of in-depth knowledge and experience, the TSKB Blog shares our expertise in macroeconomics, development agendas, sustainability, and inclusion from the perspective of our Bank's experts with a wide range of stakeholders, particularly the business community and future leaders.

In addition to the economy and finance agenda, the TSKB Blog also covers international trends such as climate change, water efficiency, food security, digital transformation, Industry 4.0, the low-carbon economy, green transformation, social development, and artificial intelligence. In this way, while staying attuned to the development agenda, we also provide insights into the transformation occurring across various industrial sectors.

We expand the reach of TSKB Blog content by sharing it on our corporate social media accounts, ensuring it reaches a wider audience. In 2024, we published 22 new blog posts with diverse content on the TSKB Blog.

TSKB LIBRARY

Founded in 1971, the TSKB Library offers a broad selection of national and international periodicals and non-periodical publications to the Bank's employees, university students, academics, and researchers. The TSKB Library is a comprehensive, specialized resource with a collection of 30,000 books, more than 100 periodicals, and access to various electronic databases. Its diverse holdings cover a wide range of topics, from women's studies and sustainability to books on Istanbul and children's literature. The library also houses collections on literature, politics, and history, as well as personal and professional development.

The Bank, which has long been committed to creating lasting value in alignment with the United Nations Sustainable Development Goals (SDGs), seeks to address information gaps in this field, raise awareness, and establish a sustainable knowledge base through the Sustainability Collection in the TSKB Library. This collection provides comprehensive insights into environmental, social, and governance (ESG) issues. This collection serves as a guide for researchers and decision-makers in developing sustainability-oriented solutions.

The Women's Studies Collection offers extensive resources on gender equality and the role of women in economic and social life, contributing to the creation of an equitable society through the dissemination of knowledge. This collection offers valuable academic and practical insights on topics such as women's workforce participation, leadership diversity, and gender equality.

With over 50 years of expertise in librarianship, TSKB continues to enrich its existing collections and develop new ones in alignment with its key focus areas.

TSKB Collection

- Special Collection (Economics, Finance, Banking)
- Sustainability Collection
- Women's Studies Collection
- Literature, History, Politics Collection
- Law Collection
- İstanbul Collection
- Professional and Personal Development Collection
- Children's Library

TSKB GAYRİMENKUL DEĞERLEME

Authorized by the CMB and the BRSA, TSKB Gayrimenkul Değerleme has been offering comprehensive appraisal services across various sectors—ranging from land plots and office buildings to factories, shopping malls, hotels, logistics facilities, fuel stations, and power plants—since 2002.

TSKB Real Estate Appraisal operates with three licenses, including the RICS license, which ensures international service standards. In addition to being the first real estate appraisal company in Türkiye to obtain the ISO 9001: 2008 Quality Certificate, it also holds the ISO 9001: 2015 Quality Management System Certificate.

TSKB Gayrimenkul Değerleme continues its operations with a team holding various certifications, including MRICS, Appraisal Institute, and LEED Green Associate, and aims to initiate consulting services in national green building investments with two employees certified in YES-TR, a certification developed by the Republic of Türkiye's Ministry of Environment, Urbanization, and Climate Change.

In 2024, the company

- Conducted extensive and high-caliber studies, including goodwill and distribution analyses for urban transformation, power plant and port appraisals, and market research, in addition to issuing appraisal reports for collaterals and specific purposes.
- Provided appraisal services for 16 IPOs and conducted approximately 80 highest and best-use analyses and project appraisals. It also conducted appraisal studies in 9 countries abroad.
- The Company closely monitored evolving trends in real estate investments and continued to provide professional support, valuation, and advisory services to its business partners in managing their real estate and machinery investments.
- It continued to share its knowledge and expertise with a broader audience by actively participating in industry events and engaging with print and visual media.
- In response to sector developments, it updated its strategic plan for 2025-2028 a year ahead of schedule, and set a target to rank among the top three in the sector. It identified technology integration and corporate sustainability as key priorities in its strategic objectives.
- The employee engagement survey, conducted with exceptionally high participation, revealed that overall company engagement is nearing that of the best workplaces in Türkiye, showing a significant increase compared to the previous year.

TSKB Gayrimenkul Değerleme aims to sustain its growth momentum in 2025 and maintain its position among the top three companies in the appraisal sector. Additionally, the Company aims to uphold its reputation as the most qualified real estate appraisal company in Türkiye.

Key Memberships

- RICS: One of the first members from Türkiye
- USGBC: Since 2016, the only appraisal company with membership from Türkiye
- LİDEBİR: Membership in a sectoral association established by companies listed on the CMB list

Equal Opportunity Certificates

TSKB Gayrimenkul Değerleme, which continues to advance in the social field through policies supporting gender equality, has been awarded two distinct Equal Opportunity Certificates.

ESCARUS (TSKB SÜRDÜRÜLEBİLİRLİK DANIŞMANLIĞI A.Ş.)

Launched in 2011, Escarus conducts environmental and social assessments, energy and resource efficiency studies, strategic analysis, and sectoral and thematic research for investment projects, as well as projects focused on strategic sustainability. Taking an active role in preparing CDP reports, TCFD reports, sustainability reports, and integrated reports, Escarus is proud to have completed numerous reference projects on topics such as CEPS certification and sustainability training with a focus on social responsibility.

Escarus, elevating its services in the fields of green initiatives and sustainability, became one of the accredited consultancy firms authorized under the "Responsible" program conducted by the Ministry of Trade. Through this program, it will support the real sector in aligning with the European Green Deal and will take on further responsibilities as it moves into 2025.

Capitals

INTELLECTUAL AND MANUFACTURED CAPITAL

In 2019, Escarus was appointed to the Advisory Board and working groups of the "ICMA Green Bond Principles" (GBP), with its membership renewed in 2021, 2022, and 2024. As a pioneering Turkish company, Escarus plays a key role in offering a broader perspective on green, social, and sustainable bond markets.

Escarus, primarily focused on projects with private sector companies, diversifies its client base each year and gains experience in different geographies by expanding its services to public institutions and international organizations. In addition to the Turkish market, the company continues to enhance its brand value through global projects across various countries, including Azerbaijan, Cameroon, Qatar, Kenya, Congo, Kosovo, Lebanon, Egypt, and Senegal, spanning regions such as Africa, Eurasia, Eastern Europe, and the Middle East.

Escarus views sustainability as a concept that extends far beyond environmental issues, influencing society and the economy at large. Based on this approach, the Company frames sustainability within a broad scope, encompassing environmental, social, and governance aspects, and aligns its areas of activity accordingly.

KEY PROJECTS IN 2024

Projects Abroad

Kosovo Electricity Distribution Services (KEDS): Sustainability Report Project, Kosovo

In line with its goal of enhancing sustainability performance and ensuring transparency in the energy distribution sector, Escarus prepared a comprehensive Sustainability Report for KEDS, a joint venture between Çalık and Limak, which provides energy distribution services across Kosovo. To make KEDS' activities more measurable and accessible to the public, the report was drafted in accordance with the internationally recognized GRI Standards. This approach ensured that sustainability data was presented in accordance with global standards and in a comparable format.

KEP Trust: Sustainability Strategy and Capacity Building Project, Kosovo

Escarus conducted a comprehensive project to enhance the sustainability management and ESG practices of KEP Trust, a microfinance institution operating in Kosovo. As part of the project, comprehensive analyses were conducted to enhance KEP Trust's sustainability performance. Market conditions were thoroughly examined, material sustainability issues were identified, and a strategy and roadmap were developed based on these priorities. KEP Trust's first-ever sustainability report was prepared in alignment with international standards, alongside the development of a methodology for measuring its carbon footprint. Additionally, Escarus conducted pilot training sessions in Kosovo to enhance KEP Trust employees' knowledge and competencies in ESG and sustainability.

GIZ: Support to the EU's Bilateral Relations with Strategic Partners on Climate-Related Policies and Investment (SPIPA II): Promoting Sustainable Agriculture Practices in Türkiye

Escarus implemented the "Promoting Sustainable Agricultural Practices in Türkiye" project under the European Union Climate Dialogues (EUCDs) initiative, aiming to advance sustainability, climate resilience, and low-carbon practices in the agricultural sector. Through stakeholder engagement, field studies, workshops, and literature reviews, best practices were identified and adapted to Türkiye's agricultural sector. In line with knowledge transfer and awareness-raising efforts, collaboration was fostered by bringing together public institutions, agricultural cooperatives, NGOs, and academic organizations. Additionally, various agricultural practices were evaluated based on factors such as greenhouse gas (GHG) potential, adaptability, lifecycle costs, country-specific implementation, and stakeholder engagement.

GIZ: Legislative and Technical Preparations for Grandfathering Studies based on the EU ETS

As part of the "Capacity Building Project on Monitoring, Reporting, and Verification of Greenhouse Gas Emissions," a study titled "Legislative and Technical Preparations for Grandfathering Studies Based on the EU Emissions Trading System (ETS)" was conducted, focusing on the allocation method based on historical emissions. The project aimed to support the legal and technical groundwork for expanding the national Monitoring, Reporting, and Verification (MRV) system in preparation for ETS implementation. With Ricardo as the main contractor, Escarus served as a subcontractor, playing an active role in all components of the project, including local coordination efforts. In close collaboration with the Directorate of Climate Change (DCC), legislative and technical reports were drafted.ı.

Projects for Sector Associations

Turkish Cement Manufacturers' Association (TÜRKÇİMENTO): Sustainability Report Project
Through the 2023 Sustainability Report prepared for the Turkish Cement Industrialists' Association (TÜRKÇİMENTO), Escarus provided a detailed overview of the sector's sustainability goals and achievements. This report, highlighting key developments in the sector, was prepared with the active participation of all TURKÇİMENTO member integrated plants. The study placed special emphasis on the sector's compliance processes with regulations such as the Carbon Border Adjustment Mechanism (CBAM) and the Turkiye Sustainability Reporting Standards (TSRS). Furthermore, the report provided a detailed overview of the measures taken to minimize environmental impacts and the investments made to transition to a low-carbon economy.

GIZ: Capacity Development for Establishing a Monitoring, Reporting, and Verification (MRV) System for Greenhouse Gas Emissions in Türkiye: Capacity development measures for MoEUCC and relevant stakeholders about the establishment and implementation process of the EU Emissions Trading System (ETS)
Another activity carried out under the Project for "Capacity Development for Establishing a Monitoring, Reporting and Verification (MRV) System for Greenhouse Gas Emissions", was the development of "Guidelines for the Implementation of Capacity Building Measures Related to the ETS." The project outlined the essential steps for the effective implementation of IRD practices, directly linked to the establishment and execution of the ETS, as well as capacity-building activities on other related issues. In this context, a roadmap for implementing the ETS was developed, with an emphasis on strengthening the knowledge and competencies of DCC staff in ETS processes and identifying the required training needs.

Customized Reporting
Escarus has completed numerous reporting projects with various institutions and organizations, leveraging its expertise in delivering needs-based and demand-driven services. The Banks Association of Türkiye Green Transformation and CBAM Evaluation Report: An assessment report was prepared to support the green transformation of the Turkish banking sector, analyze the sectors impacted by CBAM, and evaluate the potential impact of CBAM and the regulations outlined in the European Green Deal.

Finance Sector Projects
Escarus continued to actively support the finance sector by broadening its scope of services, carrying out various projects with banks, participation banks, investment trusts, and reinsurance companies.

ESCARUS IN 2025

In 2025, Escarus aims to

- Continue operating as a local consulting company with a global presence, addressing the needs of public and private sector institutions both domestically and internationally, sharing its expertise to ensure that institutions, particularly those utilizing foreign funds, can maximize value from these resources while expanding service exports
- Strengthen its role as an opinion-leading consultancy in capacity development on climate change and climate risk management in Türkiye and the surrounding region.
- Offer sustainability-focused technical, environmental, social, and managerial consulting services to a broader audience, continue its work with a philosophy that places sustainability at the core of all technical and financial solutions, and increase the number and impact of its projects.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

Board of Directors

Hakan Aran
Chairperson of the Board of Directors
Born in Antakya in 1968, Hakan Aran graduated from the Faculty of Engineering, Computer Engineering Department of the Middle East Technical University. He completed his master's degree in Business Administration at Başkent University and he is currently continuing his PhD in Banking at İstanbul Commerce University.

Beginning his career at İşbank as a Software Specialist in 1990, Mr. Aran was appointed as the Head of Software Development Department in 2005. He was promoted to the position of Deputy Chief Executive responsible for operations, digital banking and technology in 2008 and took part in important transformation programs of the Bank. Since 1 April 2021, Mr. Aran serves as İşbank's 17th Chief Executive Officer. In August 2024, Mr Aran has also been appointed as the Chairperson of TSKB.

Ece Börü
Vice Chairperson of the Board of Directors
Corporate Governance Committee Member | Sustainability Committee Member
Ece Börü was born in İstanbul in 1966 and graduated from Management Engineering Department of İstanbul Technical University in 1988. Ms. Börü joined TSKB as an assistant specialist in Financial Control Department in 1989. She was promoted to Head of Financial Control in 2000 and to Head of Board of Internal Auditors in 2006. Serving as Executive Vice President between 2013-2020 and as Chief Executive Officer and member of the Board of Directors between August 2020 and April 2022 Ms. Ece Börü was elected as the Vice Chairperson of the Board of Directors on April 7, 2022.

Murat Bilgiç
Board Member and Chief Executive Officer
Credit Revision Committee Member | Sustainability Committee Member | Risk Committee Member
Born in Ankara in 1968, Mr. Murat Bilgiç graduated from METU - Faculty of Economics and Administrative Sciences, Department of International Relations and received his master's degree in Money-Banking-Finance at the University of Birmingham. He completed the Management Program at Manchester Business School and the Advanced Management Program at Harvard Business School. Mr. Murat Bilgiç started his career in 1990 as Assistant Inspector at the Board of Inspectors of Türkiye İş Bankası. After serving as Vice Manager, Unit Manager and Head of Corporate Loans Allocation Department, he was promoted to the position of Executive Vice President of Türkiye İş Bankası on March 25, 2016. As of April 7, 2022, Mr. Murat Bilgiç serves as the CEO and a Member of the Board of Directors at TSKB.

Corporate Governance Committee Member	Credit Revision Committee Member	Audit Committee Member	
Sustainability Committee Member	Remuneration Committee Member	Risk Committee Member	B Chairperson of the Relevant Committee

Board of Directors

Banu Altun
Independent Board Member
Chairperson of the Credit Revision Committee | Audit Committee Member | Risk Committee Member

Born in 1972, Banu Altun graduated from the Economics Department of Marmara University. She started her professional career at İşbank in 1994. Having served as a manager for the Corporate Loans division; Ms. Altun was appointed as the Deputy Chief Executive of İş Leasing in 2010. Having acted as the Maslak Branch Manager at İşbank between 2018-2020 and Corporate Loans Underwriting Division Head between 2020-2024, Ms. Altun took office as the Central Corporate Branch Manager in 2024. Banu Altun was appointed as a TSKB Board Member on March 28, 2024.

Murat Doğan
Board Member
Remuneration Committee Member | Credit Revision Committee Member

Murat Doğan was born in Samsun in 1977 and graduated from Istanbul Technical University with a BSc in Industrial Engineering in 2000. Following his graduation, he joined İşbank as an Assistant Specialist in Subsidiaries Division. Mr. Doğan was promoted as Division Head in the Subsidiaries Division in 2022. Since 7th of January 2022, he has been a member of TSKB's Board of Directors.

Dr. Ş. Nuray Duran
Board Member
Sustainability Committee Member

Ş. Nuray Duran graduated from the Department Economics at Boğaziçi University in 1998. She holds master's in economics from Boğaziçi University and University of Minnesota, and a Ph.D. in economics from the latter. Dr. Duran started her career in academia in 2001, and has worked as an academician at the University of Minnesota, Miami, and Southern California in the United States. In addition, she worked as a consultant to the Global Macroeconomics Team at the World Bank Group in Washington D.C. In 2015, Dr. Duran joined Özyeğin University, where she worked as an academic and executive. Between 2021-2023, she served as a visiting associate professor at the University of Iowa and Rice University. Dr. Duran was appointed as a TSKB Board Member on March 28, 2024.

Corporate Governance Committee Member	Credit Revision Committee Member	Audit Committee Member	
Sustainability Committee Member	Remuneration Committee Member	Risk Committee Member	B Chairperson of the Relevant Committee

Board of Directors

B B B B

İzlem Erdem
Independent Board Member
Chairperson of the Audit Committee | Chairperson of the Corporate Governance Committee | Chairperson of the Remuneration Committee | Chairperson of the Risk Committee | Sustainability Committee Member

Born in İstanbul in 1968. İzlem Erdem graduated from the Economics Department of Marmara University, Faculty of Economics and Administrative Sciences, in 1990. She attended the Advanced Management Program at Harvard Business School in 2016. She joined İşbank in 1990 as Assistant Specialist at Economic Research Division and appointed as Assistant Manager in the same division in 1998. Serving in Capital Markets Division after 2000, Ms. Erdem became Unit Manager in the same division in 2004. She was appointed as the Head of Economic Research Division in 2008, and started to serve as Chief Economist in 2018. Ms. Erdem was appointed as Deputy Chief Executive in 2022. Since March 28, 2024, Ms. Erdem also serves as a TSKB Board Member.

M. Sefa Pamuksuz
Independent Board Member
Corporate Governance Committee Member

Mehmet Sefa Pamuksuz graduated from Department of Business Administration at Middle East Technical University and received his master's degree in Finance at Boston College. Having 25 years of experience in Turkish Treasury including General Directorate of Public Capital Institutions and Enterprises and working in various capacities, Mr. Pamuksuz recently acted as the Coordinator of the G20 Infrastructure and Investment Working Group as well as the Chair of the G20/OECD Task Force on Institutional Investors and Long-Term Investments (LTI). Mr. Pamuksuz has also worked as the Alternate Executive Director of Türkiye in the World Bank Group. Having worked in various finance management projects and being an Adviser for IMF FAD, Mr. Pamuksuz provided technical assistance to the governments of Cyprus, Mozambique, Lao PDR, Jamaica, Jordan, the Philippines and Serbia. Holding a CPA certificate, M. Sefa Pamuksuz is currently working as a consultant on Public Financial Management, Long-Term Investments, Corporate Governance and SOEs at PAL A.Ş. Mr. Pamuksuz has been elected as Member of the TSKB Board of Directors on March 29, 2023.

Mithat Rende
Board Member
Sustainability Committee Member

Born in 1953 in Antakya, Mithat Rende graduated from the Faculty of Political Science of the University of Ankara. After graduation he worked in the Ministry of Commerce and then was admitted to the Ministry of Foreign Affairs, where he held posts in Damascus, Rome, Brussels (NATO), Sofia, Vienna (OSCE) and London. Ambassador Rende also served as the Director of the Human Rights Department at the Ministry after completing the post-graduate program in Security and International Relations at the London-Royal College of Defence Studies. In 2005 he was appointed as Deputy Director General of Energy Environment and Water Affairs, served as Chairman of the Trade and Transit Working Group of the Energy Charter Conference in Brussels between 2005 and 2008, and was appointed as Ambassador to Doha (Qatar) in 2007. Ambassador Rende served as Director General of Multilateral Economic Affairs and Türkiye's Chief Negotiator for Climate Change between 2010-2013. He was also a member on the Turkish Nuclear Energy Commission during the same period. Ambassador Rende was appointed as the OECD Permanent Representative of Türkiye in 2013, and was elected as Chairman of the Executive Committee of the OECD in 2014. He retired in 2016 and since April 4, 2017 has been a member of the TSKB Board of Directors.

Board of Directors

Abdi Serdar Üstünsalih
Board Member

Abdi Serdar Üstünsalih, born in 1963 in Trabzon, holds a bachelor's degree in Business Administration and Physics, as well as a master's degree in Public Administration and Information Systems. Üstünsalih, who previously held positions as Manager, CEO, and Executive Vice President at Türkiye Vakıflar Bankası T.A.O., has been serving as the CEO and Managing Director of the Board of Directors at VakıfBank since May 27, 2019. On June 25, 2019, Mr. Üstünsalih was elected as a member of the Board of Directors of Türkiye Sınai ve Kalkınma Bankası A.Ş. Additionally, he continues to serve as Deputy Chairman of the Board of Directors of the Banks Association of Türkiye. Mr. Üstünsalih is also involved in various publicly beneficial foundations and associations.

Dr. Cengiz Yavilioğlu
Board Member

Cengiz Yavilioğlu, Economist Dr., holds a degree in Public Administration from Istanbul University. Mr. Yavilioğlu completed his master's degree in International Finance at Istanbul University and his doctoral studies in International Economics at Cumhuriyet University. He worked as a Research Assistant at Cumhuriyet University Department of Economics, later as Visiting Professor at The Turkish National Police Academy Faculty of Security Sciences, and as Deputy Chairman of Trustees at Rauf Denktaş University. Mr. Yavilioğlu worked as the Head of the Finance and Fund Management Department at the Privatization Administration. He also served as Chairman and/or Board Member at the following companies: the Black Sea Copper Enterprises A.Ş., Turkey Maritime Organization AŞ, TEDAŞ Meram Electricity Distribution A.Ş., TEDAŞ Çamlıbel Electricity Distribution A.Ş., Ankara Doğal Electricity Generation and Trade A.Ş., TÜPRAŞ and Türkiye Sugar Factories A.Ş. He was elected as the 24th term AK Party Erzurum deputy. He served as the Deputy Chairman in charge of Economic Affairs in Justice and Development Party, a Member of the Plan and Budget Committee of the Turkish Grand National Assembly, and as a Member of the Coups and Memoranda Research Committee. He also worked as the Deputy Minister of Finance in the 64th and 65th Governments. He has been appointed as the Deputy Minister of Treasury and Finance on January 30, 2021. Cengiz Yavilioğlu was appointed as a TSKB Board Member on March 25, 2021.

Senior Management

Murat Bilgiç
Chief Executive Officer and Board Member

Born in Ankara in 1968, Murat Bilgiç graduated from METU - Faculty of Economics and Administrative Sciences, Department of International Relations in 1990, and received his master's degree in Money-Banking and Finance at The University of Birmingham. He completed the Management Program at Manchester Business School and Advanced Management Program at Harvard Business School. Murat Bilgiç started his career in 1990 as an Assistant Inspector at the Board of Inspectors of Türkiye İş Bankası. After serving as Vice Manager, Unit Manager and Head of Corporate Loans Allocation Department, he was promoted to the position of Executive Vice President of Türkiye İş Bankası on 25 March 2016. As of April 2022, Mr. Bilgiç has appointed as Chief Executive Officer and as a member of Boards of Directors of TSKB.

Meral Murathan
Executive Vice President and Sustainability Leader

Meral Murathan was born in Erzurum in 1977, and graduated from the department of Economics at Boğaziçi University. She started her career in TSKB Treasury Department in 1998. After serving in a variety of roles and positions, she was promoted as Head of Financial Institutions in 2012. Meral Murathan promoted to Executive Vice President position in 1 April 2019. She is currently in charge of Treasury, Treasury & Capital Market Operations, Financial Institutions and Investor Relations, Development Finance Institutions and Climate Change and Sustainability Management Departments. Ms. Murathan also serves as TSKB Sustainability Leader.

Özlem Bağdatlı
Executive Vice President

Born in Çanakkale in 1974, Özlem Bağdatlı graduated from the Faculty of Law at Marmara University in 1995. She started her career in the private sector in 1998. Beginning her career at TSKB as a Specialized Lawyer in 2003, Bağdatlı held various positions at the Directorate of Legal Affairs between 2003 and 2021. Appointed as Executive Vice President on 1 May 2022, Bağdatlı is currently working as the Executive Vice President responsible for the Departments of Human Resources, Legal Affairs, Pension and Assistance Funds and Corporate Communications.

Senior Management

Hasan Hepkaya
Executive Vice President

Hasan Hepkaya was born in Samsun in 1981, and graduated from the department of Business Administration at Hacettepe University. He started his career in Garanti Leasing in 2003. After serving in a variety of roles and positions in Corporate Banking and Project Finance Departments in TSKB between 2005 - 2014, he was promoted as Head of Project Finance and Head of Corporate Banking respectively between 2014-2018. Appointed as Executive Vice President as of 1 April 2019, Mr. Hepkaya is currently in charge of Corporate Banking Marketing, Project Finance, Corporate Banking Sales and Loan Operations Departments.

Poyraz Koğacıoğlu
Executive Vice President

Koğacıoğlu completed his undergraduate education at the Department of Aerospace Engineering at Middle East Technical University (METU) and obtained his master's degree in business administration (MBA) at Koç University. During his MBA education, Koğacıoğlu joined the Bocconi University exchange program. Having worked as a research assistant at Koç University between 2002 and 2004, Koğacıoğlu continued his career as an Equity Research Analyst at Oyak Investment from 2005 onwards. Koğacıoğlu worked as a Senior Analyst at 3 Seas Capital Partners in 2006 and as a Specialist in TAIB-PDF Corporate Finance in 2007. In the same year, Koğacıoğlu worked as a senior specialist in the corporate finance team at Ak Investment. In 2010, he assumed office as an assistant manager at the same institution. Koğacıoğlu then transferred to the corporate finance team at Garanti Securities as a manager in 2012 and worked there as a director in M&A and IPO from 2015 to February 2019. He was appointed as Executive Vice President at Şeker Real Estate in February 2019. Poyraz Koğacıoğlu assumed office as the Executive Director at TSKB Investment Banking in May 2019. At 1 May 2022, Poyraz Koğacıoğlu was appointed as Executive Vice President in charge of Corporate Finance Department. He is currently in charge of Capital Markets, Company Merger and Acquisition, Corporate Finance Departments.

Bilinç Tanağardı
Executive Vice President

Mr. Tanağardı was born in Konya in 1973 and graduated from the department of Computer Science Engineering at Istanbul University in 1994. He started his career at Degere International and then continued his career as a Software Engineer at Sınai Yatırım Bankası in 1999. Mr. Tanağardı joined TSKB in 2002 and after serving in a variety of roles and positions in Information Technology departments, He was promoted as Head of System and Network Support Department in 2015. Appointed as Executive Vice President as of 1 May 2022, Mr. Tanağardı is currently in charge of Application Development, Enterprise Architecture and Process Management, System and Network Support and Procurement and Financial Affairs Management Departments.

Senior Management

S. Hüseyin Gürel
Executive Vice President
Born in 1983 in Istanbul, Seyit Hüseyin Gürel graduated from the Department of Economics at the Middle East Technical University in 2007. Starting his professional life at Industrial Development Bank of Türkiye, Mr. Gürel held various positions in Financial Analysis Department between 2007 and 2015. Mr. Gürel was positioned in Corporate Banking Department in 2015. Mr. Gürel was promoted as the Department Head of Corporate Banking Marketing in 2019 and appointed as Department Head of Advisory Services and Marketing in 2020. As of 1 September 2023, Hüseyin Gürel has been appointed as Executive Vice President in charge of Advisory Services Sales, Financial and Technical Advisory Department, Credit Restructure and Resolution, Engineering Departments.

Tolga Sert
Executive Vice President
Mr. Tolga Sert was born in Malatya in 1973. He graduated from METU's Petroleum Engineering department in 1995. He continued his education by having a Master's degree from Yeditepe University's Business Administration department in 2003. Beginning his career as an Assistant Expert at Garanti Bank in 1995, Mr. Sert then served as a Credit and Risk Officer at Total. On December 16, 1998, he started to work as an assistant investment advisor at the Treasury department of the Industrial Development Bank of Türkiye (TSKB). He assumed duties at Risk Management, Financial Control, Bahrain Branch, Investor Relations and Budget and Planning departments. He was later appointed as Financial Control Manager in 2016 and as a Director in 1 May 2022. Mr. Tolga Sert was promoted to Executive Vice President position as of 2 May 2024, and is currently in charge of Credit Portfolio Management and Analytics, Financial Analysis, Budget and Planning and Financial Control Departments.

Ozan Uyar
Executive Vice President
Born in Eskişehir in 1974, Ozan Uyar graduated from Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Business Administration. Ozan Uyar, who started his professional career as an Intern Inspector Assistant at the Audit Board Presidency of Türkiye İş Bankası in 1997, served as an Assistant Manager and Unit Manager in the Commercial Loans Underwriting Division between 2006 and 2015. He was appointed as Head of; Credit Portfolio Management Division in 2015, Corporate Banking Marketing and Sales Division in 2017, Corporate Loans Underwriting Division in 2020, Project Finance Division in 2021 and served as İstanbul Corporate Branch Manager in 2024. Since January 2025, Ozan Uyar has been working as an Executive Vice President of TSKB in charge of Loan Allocation, Financial Analysis and Loan Operations.

Directors

Dr. Burcu Ünüvar
Director and Chief Economist
Burcu Ünüvar started her career at investment banking in 2004 and worked as the Senior Economist at Is Investment until 2013. Following her investment banking career, she joined Bilkent University as a full time academic at the Department of Economics.

In April 2017 she joined TSKB as the Chief Economist and the Head of Economic Research Department. As of August 2023, she was promoted to the Director position while also continuing her research as the Chief Economist, coordinating macroeconomic content regarding markets and development themes, with a focus on ecosystem crisis. Ms. Ünüvar holds a Bachelor Degree in Business Administration, MSc Degree in Applied Economics and Finance from Denmark and USA, and a PhD in Economics. On a related front, she continues her research as a non-teaching academic focusing on monetary policy, central bank communication and green central banking.

Melis Sökmen
Director
Mrs. Sökmen graduated from Marmara University's Faculty of Communication in 2002 and later pursued her master's degree at İstanbul University's Faculty of Communication. Having started her career in the media sector in 2002 and after gaining experience in marketing, Mrs. Sökmen joined TSKB in 2008 in the Corporate Communications Department. Over time, she transitioned to Talent Management through an internal transfer and officially took on the role of TSKB Human Resources Manager starting from March 1, 2018. On January 31, 2024, Mrs. Sökmen was appointed as Director, taking charge of overseeing both the Human Resources Department and the Corporate Communications Department.

Burç Boztunç
Director
Mr. Boztunç graduated from Boğaziçi University in 2004 with a degree in Economics and later completed his master's degree in Finance at İstanbul University. Mr. Boztunç embarked on his professional journey in 2005 as an Assistant Specialist in TSKB's Treasury Department. Over the years, he has taken on leadership roles in several units within the Treasury Department. Since 2017, Mr. Boztunç has been serving as the Treasury Manager. On January 31, 2024, he was appointed as the Director overseeing the Treasury Department. Mr. Boztunç is currently in charge of Treasury and Capital Markets Operations and Treasury Departments.

Corporate Governance Compliance Report

PART I – STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Türkiye Sınai Kalkınma Bankası A.Ş. (hereinafter "TSKB" or the "Bank") is subject to the Corporate Governance Principles, which are stipulated for banks by the Capital Markets Board (CMB) and banking regulations. According to the Bank's Articles of Association Article 55, transactions and Board of Directors resolutions that do not comply with the mandatory Corporate Governance Principles are deemed to be contrary to the Articles of Association.

The Bank is in full compliance with the mandatory Corporate Governance Principles as per the "Regulation on the Corporate Governance Principles of Banks" and the "Corporate Governance Communiqué."
Although most of the non-mandatory Corporate Governance Principles have been complied with, work is underway within the scope of full compliance in accordance with the regulations. The principles that have not yet been fully complied with are listed below and in this context, there are no conflicts of interest for the Bank.

- In relation to principle No. 1.5.2, in parallel with the general practices in the Bank's articles of association, rights have been provided to the minority within the framework of the general provisions in the regulations. No requests have been received from the investors about this issue, and there is no plan to make a change in this regard in the short term
- In relation to principle numbered 4.6.1, performance assessments are not carried out for the Board of Directors. All studies related to the composition, performance, and effectiveness of the board of directors are carried out under the corporate governance committee.
- In relation to principle no. 4.6.5, the salaries given to the Members of the Board of Directors and Senior Management are disclosed to the public collectively in accordance with global and local practices. Based on the confidentiality of personal information, our Bank closely follows market practices. In this context, it is envisaged that general practice will be followed.

Corporate Governance Compliance Report and Corporate Governance Information Form are available on the Public Disclosure Platform can also be accessed via this link: (https://www.kap.org.tr/tr/sirket-bilgileri/ozet/2427-turkiye-sinai-kalkinma-bankasi-a-s).
A leading institution in corporate governance, the Bank attained a corporate governance rating in 2024 that enabled it to maintain its position among the highest rated institutions. As a result of the evaluation by Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. on October 21, 2024, TSKB's Corporate Governance Rating score has further increased, reaching 9.67 over 10 (2024: 9.66). The rating of four main sections (Shareholders, Public Disclosure and Transparency, Stakeholders, and Board of Directors) were announced as 9.51, 9.87, 9.89 and 9.54 over 10, respectively.

TSKB's Corporate Governance Rating

Main Sections	Weight	Score
Shareholders	0.25	9.51
Public Disclosure and Transparency	0.25	9.87
Stakeholders	0.15	9.89
Board of Directors	0.35	9.54
Total		**9.67**

TSKB, which has a long history of sustainable banking and good ESG practices, operates in compliance with all of the Sustainability Principles published on October 2, 2020 within the framework of the Communiqué Amending the Corporate Governance Communiqué (II-17.1).

The Banks's Corporate Governance Principles and Compliance Report is available on the Public Disclosure Platform can also be accessed via this link: (https://www.kap.org.tr/en/sirket-bilgileri/ozet/2427-turkiye-sinai-kalkinma-bankasi-a-s).

PART II – SHAREHOLDERS

Investor Relations Department

At TSKB, investor relations activities are carried out in coordination with the Financial Institutions and Investor Relations Department and the Legal Affairs Department in accordance with the principles of transparency, accountability, responsibility and equality required by corporate governance. "Investor Relations Manager," who holds Capital Market Activities Advanced Level Certificate and Corporate Governance Rating Specialist Certificate, serves as a member of the Corporate Governance Committee as per the provisions of the governing regulation. The Investor Relations Department continued to proactively conduct investor relations activities in 2024, informing the Corporate Governance Committee and the Board of Directors twice a year on the "Activities and Strategic Plan of Investor Relations"

Corporate Governance Compliance Report

Please find below the contact details of the employees who take part in Investor Relations:

Name Surname	Title	Phone No.	Electronic Mail Address
Meral Murathan	Executive Vice President*	0 212 334 51 24	murathanm@tskb.com.tr
Gizem Pamukçuoğlu	Head of Financial Institutions and Investor Relations	0 212 334 52 58	erarslang@tskb.com.tr
Özen Çaylı	Senior Investor Relations Manager**	0 212 334 52 49	halilogluo@tskb.com.tr
Dilek Özdemir	Head of Legal Affairs	0 212 334 50 98	ozdemird @tskb.com.tr

*Ms. Meral Murathan is Executive Vice President responsible for Financial Institutions and Investor Relations, Development Finance Institutions, Treasury and Climate Change and Sustainability Departments.
**Ms. Özen Çaylı holds Capital Market Activities Advanced Level Certificate (Certificate No: 204985) and Capital Market Board Corporate Governance Rating Specialist Certificate (Certificate No: 701337).

General Assembly Meeting

The Bank's annual Ordinary General Assembly Meeting took place at the Headquarters Building on March 28, 2024. In the Ordinary General Assembly Meeting of 2023, out of the total 280,000,000,000 (votes) shares corresponding to the Bank's capital of TL 2,800,000,000, 193,987,329,145.9 shares corresponding to the total capital of TL 1,939,873,291.459 were represented at the meeting (15,200 shares corresponding to a share capital of TL 152 were represented in person, 169,917,427,845.9 shares corresponding to share capital of TL 1,699,174,287.459 were represented by proxy and 24,069,886,100 shares corresponding to share capital of TL 240,698,861 were represented by their entrusted representatives). The participation rate was 69%.

The following items were discussed and voted on by the shareholders at the meeting:

- The Meeting Council was constituted in accordance with the Bank's Articles of Association. Authorization of the Meeting Council to sign the meeting minutes was adopted by the majority of the shareholders' votes.
- Review and discussion of the Annual Reports of the Board of Directors and Reports of the Auditors and Independent Auditors regarding the Bank's accounts and transactions for 2023 was adopted by the majority of the shareholders' votes.
- Review and approval of the Bank's balance sheet and profit & loss statement for 2023 was adopted by the majority of the shareholders' votes. The approval of the Board of Directors members' discharge has been accepted by the majority of the shareholders' votes.
- The decision-making on the determination and distribution of profit was adopted by the majority of the shareholders' votes. Information regarding the annual bonus payments made to employees in 2023 and those projected for 2024 has been presented to the General Assembly.
- The election of the Board of Directors members for a 3-year term and the appointment of Mr. Mehmet Sefa Pamuksuz as an Independent Member has been accepted by the majority of the shareholders' votes.
- The determination of the attendance fee to be paid to the Board Members was approved by the majority of the shareholders' votes.
- Selection of the independent audit firm was adopted by the majority of the shareholders' votes.
- The appointments to the membership of the Advisory Committee under the Audit Committee, in accordance with Article 4 of the Communiqué on Compliance with Interest-Free Banking Principles and Standards, have been accepted by a majority vote.
- The General Assembly was informed about the donations made during the year. In addition, the determination of the upper limit for donations to be made in 2023 was approved by the majority of the shareholders' votes.
- Empowerment of the Board Members regarding the transactions set forth in the Turkish Commerce Code, Articles 395 and 396 was adopted by majority of shareholders' votes.
- The transactions included in Article 1.3.6 of the CMB's Corporate Governance Communiqué No. II-17.1 were submitted to the General Assembly's information.
- Additionally, information has been provided to shareholders regarding the activities related to the management of climate risks.
- During the period, there has been no transaction in which the decision had to be left to the discretion of the General Assembly due to negative votes of independent board members. The results and resolutions of the General Assembly meeting were published on Public Disclosure Platform on March 28, 2024.

Profit Distribution Policy

The Dividend Payment Proposal of the Board of Directors has been prepared in line with the Profit Distribution Policy approved by the General Assembly, which takes into account the delicate balance between the expectations of the Shareholders and the Bank's need for growth, and the profitability of the Bank. Principles governing the Bank's dividend distribution are set down in the Articles of Association, Article 47, and there are 100 founders' shares that receive a share of the profit in line with these principles.

The Bank's dividend payment policy was revised in 2019 and disclosed to shareholders on the Bank's Turkish and English websites. (Via Link: https://www.tskb.com.tr/en/investor-relations/corporate-governance)

At the General Assembly Meeting dated 28.03.2024; in accordance with the Bank's Dividend Policy; considering the national and global economic conditions, the long-term growth targets of the Bank and the sustainability of a strong capital structure that supports these targets, it was decided that as part of the net profit of TL 7,041,476,615.58 in 2023, TL 13,500,253.69 will be reserved as a general legal reserve, TL 997,000,000.00 will be reserved to a special fund in accordance with the relevant provisions of the tax legislation for the purposes of acquiring venture capital investment funds, and the remaining TL 6,030,976,361.89 will be set aside as extraordinary reserves under shareholders' equity.

RELATIONS WITH STAKEHOLDERS

The stakeholders, including shareholders, employees, creditors, clients, suppliers, non-governmental organizations, and potential investors shall submit their complaints and recommendations to the Bank using a communication form available on the Bank's website. In this regard, the stakeholder analysis performed at least every two years also contributes to the relations with stakeholders.

Employees are kept informed about all decisions and developments that may affect them. The Bank develops mechanisms to involve employees in decision-making processes, gathering feedback through committee activities and periodic surveys. Additionally, the Bank launched the "HR Representative" initiative in 2017, where representatives are selected from each department.

Participation of employees in management is governed by internal regulations. The employees are authorized according to their signature level pursuant to the Internal Directive on the Transfer of Representation Authority of Türkiye Sınai Kalkınma Bankası, published on Page 483 of the Trade Registry Newspaper No. 8944 of November 11, 2015.

Stakeholders, including employees, can submit their complaints and suggestions to the Bank through the contact form on the Bank's website. Notifications on transactions that are unlawful or ethically inappropriate are reviewed, depending on the content and nature of the situation reported, by the Board of Inspectors or the Internal Control Department and submitted to the Corporate Governance Committee or the Audit Committee. In this context, the Anti-Bribery and Anti-Corruption Program and the Anti-Bribery and Anti-Corruption Policy have been published on the Bank's website (via link: https://www.tskb.com.tr/en/ investor-relations/corporate-governance). In order to ensure compliance with anti-bribery and anticorruption legal regulations, ethical and professional principles, and universal rules, the Anti-Bribery and Anti-Corruption Policy covering all employees of the Bank and its subsidiaries, including the Board of Directors, intermediaries, proxy operators, suppliers, contractors, third parties, affiliated agencies, and those whom we do business, is being updated in accordance with changes in requirements and operating conditions. In addition, a declaration is received from employees that they accept the consequences of compliance with and breach of the Anti-Bribery and Anti-Corruption Policy articles. The training on the Anti-Bribery and Anti-Corruption Policy is open to employees through the Bank's online training platform and the results of the participation in the training are monitored.

The Anti-Bribery and Corruption Program also includes the Complaint Mechanism, which was created for employee complaint communication and is accessible to employees through the intranet. In addition, within the scope of this program, the results of the relevant year as regards the cases, complaints, training, and communication are included on the Bank's website. Within this framework, employees can contribute to the decisions made with their opinions. In addition, there are also committees formed by employees on many different issues at the Bank. The employees are enabled to participate in the management through these committees.

Corporate Governance Compliance Report

BOARD OF DIRECTORS

Board Members and Working Principles of the Board of Directors

The Board of Directors consists of 11 members, allowing the activities of the Board of Directors to be organized effectively. The election of members is carried out in accordance with the legislation and the Bank's articles of association. The detailed resumes of the Board members and the CEO are given on the Bank's website and in the integrated annual report.

The Board of Directors convenes regularly and at least once a month as previously planned, and when deemed necessary, regardless of this period. Care is taken to determine the meeting date in a way that will allow the participation of all members, and Board of Directors meetings are held with the participation of all members, except for unforeseen exceptional circumstances In principle, Board Members attend every meeting. Board Members can also attend the meeting virtually. Each Member of the Board has one vote. In accordance with the Bank's Articles of Association, the Board of Directors convenes with the majority of the total number of members and makes decisions with the majority of participants in the meeting. The Board of Directors held 36 meetings between January 1 and December 31, 2024. In this period, there was no significant update with any related parties that would be subject to the approval of the General Assembly.

The possible losses resulting from mismanagement of the Board and all Bank managers are covered by the insurance policy signed by Türkiye İş Bankası A.Ş., the main partner, for its group companies.

Regular assessments regarding the structure and efficiency of the Board of Directors are carried out through committees, and recommendations for potential improvements are presented to the Board. Information on the Board of Directors Committees and working principles thereof are available in the Investor Relations section of the Bank's website.

Within the framework of the "Diversity Policy in the Board of Directors" established in 2014 and updated in 2019 and 2023, an assessment of the current situation is conducted annually by the Board of Directors. As of December 31, 2024, the number of female members on the Board of Directors has reached 4. The number of shares of the Bank held by the Board Members of our Bank is negligible.

The following table shows the number of meetings and participation rates for the past 3 years.

	2022	2023	2024
Number of Meetings	39	32	36
Participation Rate	93%	93%	96%

Remuneration Policy

The Bank carries out its remuneration policy practices in compliance with the relevant Banking and Capital Markets regulations. TSKB's Remuneration Policy is available in the Investor Relations section of the Bank's corporate website (via link: https://www.tskb.com.tr/en/investor-relations/corporate-governance). This policy covers all Bank employees at all levels, including the Head Office and branches.

The approach, principles, and practices regarding the performance evaluation and career planning of the Board of Directors members and senior executives are determined and monitored through committees.

Board Members are not paid any financial benefits other than the monthly attendance fee. Attendance fees and dividends paid as per the Articles of Association are determined by the General Assembly in line with the proposals submitted by the shareholders. The Bank has no share acquisition program.

Board members have never directly or indirectly used cash or non-cash loans from the Bank.

The total amount of financial benefits such as attendance fees, dividends, wages, premiums, and bonuses paid to the Board Members and Senior Executives is TL 131,005,000.

The total amount of travel, accommodation and other payments made to the Board Members and Senior Executives is TL 8,227,217.

Dividend Distribution Proposal

According to Article 47 of our Articles of Association, the General Assembly will be presented with the proposal to allocate the 2024 net profit of TL 10,134,599,216.25 as follows:

1. Allocation of TL 1,300,000,000.00 to a special fund for the purpose of purchasing venture capital investment funds, in accordance with the relevant provisions of tax legislation.
2. In accordance with Article 5-(1)/e of the Corporate Tax Law, the TL 9,915,137.00 profit from the sale of subsidiaries in 2024 shall be kept in a special equity account.
3. Allocation of the remaining TL 8,824,684,079.25 as extraordinary reserves.

Summary Report of the Board of Directors

Esteemed Shareholders,

Welcome to the TSKB's 75th Ordinary General Assembly meeting. We would like to convey our kindest regards to our shareholders, their representatives, and guests for honoring the hall and hereby submit to your examination and approval the Board's Annual Report and Independent Audit Report, as well as profit and loss statements, for the accounting period of 2024.

In line with our bank's mission of sustainable development, we successfully continued our activities in 2024 and achieved strong results that are aligned with our objectives. During this period, we observed that the Central Bank of the Republic of Türkiye (CBRT) maintained its tight monetary policy, achieved real appreciation of the Turkish lira, and inflation showed a gradual downward trend. At the same time, the significant increase in CBRT reserves and the decline in country risk premiums continued, while the Turkish economy grew by 3.2%. During the same period, the banking sector continued to provide strong support to the Turkish economy. By the end of 2024, the sector's total assets reached TL 32.7 trillion, showing a 39% surge in Turkish lira terms, while total shareholders' equity rose by 35% to TL 2.9 trillion. While the sector's loans increased by 37% to reach 16.1 trillion TL, the net profit for the period saw a nearly flat annual increase of 6%, amounting to TL 659 billion.

TSKB maintained a robust and resilient balance sheet and capital structure. As of December 31, 2024, the Bank elevated, on a year-on-year basis:

- Its total asset by 31% to TL 231.3 billion,
- Its loan portfolio by 28% to TL 166.4 billion,
- Its shareholders' equity by 52% to TL 32.5 billion.

During the same period, our Bank increased its net profit by 44% year-on-year, reaching TL 10.1 billion, and achieved a return on equity of 38.5%. As of the end of the year, the capital adequacy ratio, calculated excluding the temporary measures of the Banking Regulation and Supervision Agency (BRSA), was 21.8%, exceeding the legal requirements.

On this occasion, we would like to express our gratitude to our shareholders, employees, and all stakeholders for their contributions to achieving these results, and we respectfully greet you, our shareholders, who have honored our General Assembly once again.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
BOARD OF DIRECTORS

Other Major Updates on Corporate Operations

Disclosures on Private Audit and Public Audit During the Accounting Period

During the current accounting period, no private audit was conducted at the Bank as per Articles 207, 438 and 439 of the Turkish Commercial Code. The Bank is subject to public audit by public institutions such as the BRSA, CBRT, CMB, and the Competition Authority. If any matters requiring a public disclosure arise about the audits conducted at the Bank by public institutions, they are publicly communicated through material disclosures.

Disclosures on Administrative or Judicial Sanctions Imposed on the Company and Board Members for Acts Contrary to Legislative Provisions

Information on court proceedings is provided in the annual report and section III/4 of part five of the nonconsolidated audit report, and litigation expenses/provisions in section 7.c.3.

Services Received from the Independent Auditing Company

No service other than audit services is received from the institution from which independent audit services are received.

Related Party Transactions

Information on the Bank's related party transactions is included in the fifth section of the audit report, in footnote VII. According to that: "Between the Bank and Türkiye İş Bankası A.Ş., the controlling shareholder, and the companies affiliated thereto, there are no legal procedures completed under the instructions of our controlling shareholder to the benefit of the latter or of a company affiliated thereto, and no measures taken or avoided to the benefit of our controlling shareholder or a company affiliated thereto. In addition, the commercial transactions concluded between the Bank and Türkiye İş Bankası A.Ş., the controlling shareholder, and the companies affiliated thereto and are provided in the report in detail, are required by the Bank's operations and are completed over the equal values applicable in the market. They are compliant with the principle prescribed in Article 202 of the Turkish Commercial Code No. 6102 that the controlling shareholder cannot exercise its control in a way to inflict a loss on its subsidiaries. There are no decisions against or transactions inflicting loss on the Bank under the instructions of Türkiye İş Bankası A.Ş., the controlling shareholder, and the companies affiliated thereto. Information on Operational Fields for which Support

Services are Outsourced Under the Regulation on Outsourcing of Support Services by Banks and Information on the Individuals and Organizations Supplying Such Services

The following services received by the Bank in 2023 fall into the scope of the Regulation on Outsourcing of Support Services by Banks, promulgated on November 5, 2011;

- Emergency Services for Server Hosting received from Superonline İletişim Hizmetleri A.Ş.
- Riskfree Treasury Valuation System Maintenance Service received from Risk Aktif Danışmanlık Eğitim Yazılım Sanayi ve Tic. Ltd. Şti.
- SWIFT FMHS (Fully Managed Hosting Service) received from Fineksus Bilişim Çözümleri Tic. A.Ş.
- Internal Rating Model and Asset Liability Management Infrastructure and Maintenance Service received from Prometeia SPA.
- EFT Software Maintenance Service received from BIS Çözüm Bilgisayar ve Entegrasyon Hizmetleri ve Tic. A.Ş.
- Building and Employee Security Service received from Tepe Savunma ve Güvenlik Sistemleri San. A.Ş.
- Main Data Center Service received from İş Net Elektronik Bilgi Üretim Dağıtım Ticaret ve İletişim Hizmetleri A.Ş.
- Building and Employee Security Service received from Tepe Savunma ve Güvenlik Sistemleri San. A.Ş.
- Main Data Center Service received from İş Net Elektronik Bilgi Üretim Dağıtım Ticaret ve İletişim Hizmetleri A.Ş.

Amendments to the Articles of Association

During the Year In the year 2023, there have been no amendment to the Articles of Association.

Risk Management Policies

Information About Risk Management Policies by Risk Type

TSKB's Risk Management Policies and application principles of these policies consist of written standards established by the Board of Directors and implemented by the Bank's executive management.

According to TSKB's Risk Management Policies, the main risks exposed by the Bank are identified as credit risk, asset-liability management risk (market risk, structural interest rate risk, liquidity risk) and operational risk.

A Risk Management Department is formed within the Bank in order to manage the risks the Bank is exposed to in parallel with the risk policies ensuring compliance with those policies and related application principles.

TSKB's Risk Management Department actively participates in all processes regarding the management of risks and submits regular reports to the Board of Directors, Audit Committee, Risk Committee, senior management and related units of the Bank. Its duties, responsibilities and structure have been established by the Regulation of the Risk Management Department.

Credit Risk Management Policy

Credit risk is the possibility that the credit client or a counterparty of an agreement is unable to fulfill the obligations under the conditions of the agreement. Whilst the most common and apparent source of credit risk is the loans granted by the Bank, other banking services carrying counterparty risk also carry credit risk. In this regard, all related banking activities are evaluated within the scope of credit risk.

Credit risk is measured and managed by taking into account the structure and characteristics of the credit, the terms and conditions of the credit agreement and financial conditions, the structure of the risk profile until the end of the maturity in parallel with possible market movements, guarantees and collaterals, internal risk ratings, possible changes in ratings during the risk exposure period, concentrations (one single company, group of affiliated companies, sector, country, etc.) and compliance with limits established by the Board of Directors to prevent such concentrations.

In measuring credit risk, the Internal Rating Models are used for monitoring and controlling the credit risk and providing early warning.

Maximum effort is taken to ensure that limits and policies in agreements with foreign and domestic sources do not diverge to a significant degree from the policies and limits set by the Bank. Despite the clauses in the agreements deviating from the existing policies, they are still accepted to be in force.

Asset-Liability Management Risk Policies

All financial risks arising from the Bank's assets and liabilities other than credit risk are defined as asset liability management risks. The market risk of the trading portfolio, structural interest rate risk and liquidity risk fall into this category.

I - Market Risk Management Policy

Market risk is the possibility of portfolio or position loss in the scope of trading portfolios resulting from fluctuations in interest rates, stock prices, commodity prices, or exchange rates on the financial markets. The purpose of market risk management is to manage, within the appropriate parameters, the risks to which the Bank might be exposed with a proactive approach and thus maximize the Bank's risk-adjusted return.

Market risk is managed by using consistent risk measurement and criteria such as fluctuation level of interest and/or prices and Value at Risk calculations, establishing appropriate procedures regarding the performance of control an d observing compliance with the identified risk limits.

Interest rate risk, exchange rate risk, stock and commodity price risk and exchange risks constitute the major elements of market risk. In order to control these risks in a healthy manner the core principle is to manage transactions carried out in money and capital markets such that they do not form concentration in terms of the instrument, maturity, currency, interest type and other similar parameters, and in a "well diversified" manner in accordance with their risk levels. Moreover, the creditworthiness of issuers of financial instruments causing market risk is evaluated and monitored carefully. In calculating market risk, the Bank uses two major approaches, namely BRSA Standard Method and Value at Risk (VaR). The accuracy of the VaR model is ensured by carrying out backtesting. The question test is based on the comparison of the calculated Risk Exposure Value and the realized losses. In addition; stress tests are applied in order to determine the impacts of events, with a low possibility of realization but substantial losses, on Value at Risk.

II - Structural Interest Rate Risk Management Policy
Structural interest rate risk is the risk of change in the Bank's capital due to possible changes in interest rates through differences in the repricing period and the interest structures of interest-sensitive assets and liabilities monitored in the banking book.

Structural interest rate risk is managed through the provision of consistent information on structural interest rate risk to all organizational levels by using risk measurement and criteria such as the level of fluctuation of interests, interest shock and stress test calculations.

The inconsistencies of the asset-liability structure are monitored and measured on a currency basis and at determined maturity intervals taking into account their re-pricing.

TSKB manages interest risk by acknowledging that it threatens the Bank's income, capital, liquidity and reputation and consists of factors such as re-pricing risk, yield curve risk, base risk, spread risk, and option risk.

III - Liquidity Risk Management Policy
Liquidity risk is defined as the risk of failure to meet the on and off-balance sheet liabilities when due. This includes the case when the Bank does not have enough cash or cash inflows in order to fulfill the cash outflows completely and on time and thus incurs a loss. There are two kinds of liquidity risk, one is related to funding for capital markets and trading activities, the other one is related to the market. Liquidity risk related to funding is the risk that occurs when investment and funding needs are not fulfilled timely or with a reasonable cost because of inconsistency in the cash flows. Liquidity risk related to the market occurs when the Bank cannot close its positions on time or with reasonable costs because the markets are not deep, have problems, or the Bank cannot enter the markets. It is essential to have maximum diversification regarding funding sources, markets, instruments and maturities in order to have effective and sustainable liquidity management.

In liquidity management, the portfolio structure is formed in line with the functions of revenue generating from the portfolio and management of the market risk. The risk-return balance is constantly monitored whereas the liquidity needs are followed up at all times.

Operational Risk Policy
Operational risk is defined as the loss occurring from processes, humans and systems because of deficiencies or faults or mistakes or outside events. Compliance with the laws and ethical standards are also included in this definition. Risks related to operations and processes, external risks, information technology and cybersecurity risks, human resources risks, and supplier management risks are monitored within the scope of operational risk.

Operational risks are managed by applying special controls and precautionary measures to the fundamental operational areas of the Bank, by forming an appropriate internal control system and distributing the authorities throughout the Bank, by testing and controlling in detail all the Bank's operational systems, by obtaining a consistency between the internal and external systems and having an independent data backup system.

The Bank respects the principle of segregation of duties in order to reduce the risk of fraud, manipulation or mistakes. Incident records and risk indicators of operational nature are regularly monitored and reported by the Risk Management Department.

Consolidated Risk Management Policy
The Bank pays attention that the fundamental principles and standards related to the risk management systems and processes implemented within TSKB are also applied in the subsidiaries. Consolidated Risk Policies are determined and approved by the Board of Directors. It is essential for the subsidiaries that these policies are adopted, specified risk management systems and processes are applied in order to have consolidated risk management and to act in consistency with the risk limits set at the group level.

Policies Regarding Other Risks
Other risks are Model Risk, defined as the risk of loss due to erroneous design or implementation failures of the models used for pricing, credit facilities and risk measurement, Strategy Risk, occurring because of false or ill-timed decisions; and Reputation Risk, defined as the reputation loss of the Bank in the eyes of the clients and markets. These risks are mentioned in the Bank's Risk Policies in order to increase awareness throughout the Bank. In addition, climate risks have been defined regarding their potential to create adverse consequences for human or ecological systems due to climate change.

Audit Committee

The Audit Committee consists of two members, selected from among the non-executive Board members. Currently, the members of the Audit Committee are Ms. İzlem Erdem and Mr. Banu Altun.

The Audit Committee is responsible for:
- Ensuring the efficiency and adequacy of the Bank's internal systems (internal audit, internal control risk management and corporate compliance) on behalf of the Board of Directors, in compliance with the relevant regulations,
- Supervising the functioning of the internal systems, accounting and reporting systems in compliance with relevant laws and regulations, and maintaining the integrity of the information produced,
- Performing preliminary assessments for the selection of independent audit firms and rating, valuation and support service institutions by the Board of Directors, and regularly monitoring the activities of these institutions selected and contracted by the Board of Directors,
- Carrying out and coordinating the internal audit activities of companies subject to consolidation in a consolidated manner,
- Receiving regular reports from the units established under internal systems, and from the independent audit firms regarding the performance of their duties and reporting the detected setbacks to the Board of Directors.

All members of the Committee attended 53 meetings held by the Audit Committee in 2024.

Vice President: A. Gerçek Nasuhoğlu			
Term of Office	Professional Experience	Previous Units	Educational Background
2.6 years	28.6 years	İş Bankası: Internal Audit, Budget and Planning, Strategy and Corporate Performance Management, Teşvikiye Branch	Master's Degree in Türkiye
Coordinator: Internal Control, Corporate Compliance and Risk Management: Simay Kimyacı			
Term of Office	Professional Experience	Previous Units	Educational Background
11 months	26 years	Treasury, Internal Control	Bachelor's Degree in Türkiye
Head of Internal Control: Aslıhan Toraman			
Term of Office	Professional Experience	Previous Units	Educational Background
11 months	21.5 years	Treasury, Capital Market Operations	Master's Degree in Türkiye
Head of Corporate Compliance: Aslı Yasemin Zortuk			
Term of Office	Professional Experience	Previous Units	Educational Background
3.5 years	19.5 years	Financial Control, Enterprise Architecture, Process Management	Bachelor's Degree in Türkiye
Head of Risk Management: Gül Bahar Yalçın			
Term of Office	Professional Experience	Previous Units	Educational Background
2.5 years	16 years	Economic Research	Master's Degree in Türkiye

Audit Committee Report

AUDIT COMMITTEE'S ASSESSMENT OF THE FUNCTIONING OF INTERNAL AUDIT, INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS AND THEIR ACTIVITIES IN 2024

The Audit Committee held 53 meetings in 2024. In these meetings, the Audit Committee worked on the fulfillment of duties and responsibilities specified within the scope of the "Regulation on the Evaluation of Banks' Internal Systems and Internal Capital Adequacy" in the "Activities of the Committees Established for Risk Management, and Full Names of the Chairpersons and Members of These Committees" in "Corporate Governance and Risk Management – Board of Directors" section of the Annual Report.

Internal systems-related activities (internal audit, internal control, corporate compliance and risk management) in the Bank are carried out by the Board of Internal Auditors, Internal Control Department, Corporate Compliance Department and Risk Management Department. Relevant departments' duties and responsibilities are specified in regulations approved by the Board of Directors. All four departments operate independently of executive activities and executive units through the Executive Vice President for Internal Systems, who reports to the Audit Committee, established to assist the Board of Directors in the performance of its auditing and oversight activities. It is among the priorities of the Board of Directors to evaluate and ensure the continuity of the functioning, adequacy and effectiveness of the internal systems established to cover all branches and units, and subsidiaries subject to consolidated audit. The duties and responsibilities of the Board of Directors regarding internal systems are carried out by the Board of Directors, Audit Committee, Board of Internal Auditors, Internal Control Department, Corporate Compliance Department and Risk Management Department.

Board of Internal Auditors

The Board of Internal Auditors assures the performance of the Bank's activities in line with the relevant laws and other regulations, internal strategies, policies, principles, targets, and as well as the efficiency and adequacy of the internal control and risk management systems. The Board of Internal Auditors plans and carries out its audit activities in a risk-oriented manner, evaluating the potential risks in Head Office units, branches, subsidiaries and Bank's information systems and processes, reviewing whether the internal control, risk management and corporate governance systems are compatible, effective and sufficient, and examines the accuracy and reliability of accounting records and financial reports.

The Board of Internal Auditors does not content itself with only identifying the audit findings. It also provides opinions and suggestions to prevent the re-emergence of deficiencies, errors and abuses, if any, to improve processes, increase efficiency and effectiveness, and strengthen internal systems. Moreover, it closely monitors the findings and related actions and provides information on the developments in the items discussed at the Audit Committee meetings throughout the year.

In 2024, the Inspection Board conducted a total of 23 audits in the Head Office units, subsidiaries, companies from which support services and external services were received, banking processes, and information systems. As a result of the audits and assessments performed in 2024, no material problems were identified that could adversely affect the Bank's operations and prevent it from fulfilling its obligations. It has been determined that the Bank's internal control and risk management systems work well, the activities are generally low-risk, the financial and legal reports are correct, and the laws and regulations are complied with.

In conclusion, the internal audit system has been effective and successful in preventing, detecting and eliminating risks thanks to its risk-oriented approach, qualified human resources, experienced and prudent management.

Internal auditors attended various training sessions aimed at enhancing their professional knowledge, skills, and abilities in 2024. Additionally, one member obtained the Certificate in Cybersecurity (CC) provided by ISC2 during the year.

Internal Control

TSKB's Internal Control System has been structured to cover the Bank's branches and Head Office units, subsidiaries subject to consolidation and all activities, in order to ensure that all financial and operational risks identified in relation to the operations are kept at a reasonable level and under control.

The adequacy and effectiveness of the Internal Control System are reviewed through continuous monitoring by all Bank personnel under the coordination of the Internal Control Department, and necessary improvements are carried out.

Audit Committee Report

Efforts have been made to measure individual and interrelated operational risks within the Bank's processes, to establish a strong corporate culture with a risk management perspective in the light of the Operational Risk Guide published by the BRSA, and to establish structures that will contribute to the improvement of the current internal control environment. As a result of these efforts, a "Triple Line of Defense Model" has been developed as an effective way of managing risks and controlling operations to support the effectiveness and optimization of governance, risk and internal control systems. The aim is to provide stakeholders, regulatory authorities, Bank employees, and the Board of Directors with confidence in the competence and adequacy of the internal control system on a solid foundation.

In 2024, additional controls were established within the scope of the changing regulations. Internal audit activities were conducted to assess compliance with the ISO 14001 Environmental Management System Standard and ISO 14064 Greenhouse Gas Calculation and Verification Standard, as part of the Bank's certifications concerning the assessment and management of environmental impacts, as in previous years.

Internal control personnel have participated in various training programs throughout the year, taking into account changes in the applicable legal and regulatory frameworks aimed at enhancing their professional knowledge, skills, and abilities. They have also been encouraged to obtain national and international professional certifications. In this context, in 2024, one of our employees obtained the CIA (Certified Internal Auditor) certification, one obtained the ISO 27001 Information Security Management System Lead Auditor certification, one obtained the Corporate Governance Rating License, and one obtained the Certification for Compliance and Auditing of Interest-Free Banking Principles and Standards.

The findings, opinions and suggestions resulting from the internal controls by the Internal Control Department are first communicated to those who carry out the activities and evaluated. It helps to take and implement the necessary complementary and preventive measures quickly, and feasible solutions contribute to the continuous improvement of our internal control system, in line with evolving technological innovations and robotic process automation (RPA).

The Bank's Audit Committee periodically evaluates the effectiveness of the internal control system and the results of internal control activities through the annual reports issued by the Internal Control Department.

Corporate Compliance

Corporate Compliance Department continues its duties under the Audit Committee, which was established to assist the Board of Directors in the performance of its oversight and supervisory activities.

The Corporate Compliance Department ensures the compliance of the Bank's activities, transactions, and products and services offered to its customers with national and international regulations and other internal regulations by evaluating compliance and taking necessary measures. In this context, it performs daily, weekly, and monthly regulatory reporting at relevant levels within the Bank.

Activities related to ensuring coordination and support within the Bank for the establishment of processes, policies, and procedures, as well as practices in compliance with regulations; coordination and communication on regulatory issues between legal authorities, associated institutions, and departments of the Bank are conducted by the Corporate Compliance Department.

The Corporate Compliance Department identifies and evaluates compliance risks that the Bank may encounter, informs the Board of Directors with Compliance Reports prepared quarterly for the implementation of necessary measures at the Bank and monitoring compliance efforts.

Monitoring and control activities under the Financial Crimes Investigation Board (MASAK) regulations to ensure compliance with legislation regarding money laundering, the financing of terrorism, and the proliferation of weapons of mass destruction are carried out by the Corporate Compliance Department under the supervision of the Compliance Officer. These monitoring, evaluation, and control activities ensure the proper implementation of necessary controls, alerts, and other mechanisms in business processes. The results of the monitoring and control activities related to compliance with the prevention of money laundering, terrorism financing, and the proliferation of weapons of mass destruction are periodically reported to the Bank's Audit Committee.

In terms of sanctions regulations, national legislation and recommendations, standards, decisions, and lists published by international organizations are monitored. Sanction lists are continuously tracked within the banking system, and announcements and information sessions are held to increase awareness within the bank. Corporate Compliance personnel have participated in various training programs throughout the year, considering changes in the applicable legal and regulatory frameworks aimed at enhancing their professional knowledge, skills, and abilities. They have also followed webinars, forums, and meetings conducted to monitor developments regarding international sanctions regulations. They have been encouraged to obtain national and international professional certifications.

In 2024, as in previous years, support was provided to the department responsible for training to determine necessary training content on topics such as compliance, accuracy, and ethics, and to carry out the trainings, with the aim of continuously improving the compliance culture within the bank. Participation was also ensured in project and working groups, committees, and boards related to critical processes within the scope of their responsibilities.

Risk Management
The risk management process, which is organized as per the risk management regulations and serves to create a common risk culture throughout the organization, has a structure where risks are defined by international regulations and where measurement, analysis, monitoring and reporting activities are carried out within this framework. The Risk Management Department carries out these activities by developing necessary systems, monitors the compliance of the risks with the policies and standards and the Bank's limits, and continues its efforts to comply with the relevant regulations and Basel criteria. In addition to the standard approaches used for legal reporting, risk measurements subject to reporting are also conducted with advanced approaches through internal models and are also supported by stress tests.

The Risk Management Department submits its detailed unconsolidated risk management reports monthly and consolidated risk management reports quarterly to the Board of Directors via the Audit Committee. In 2024, in addition to the reports submitted to the Board of Directors, risk and capital adequacy measuring and reporting activities continued for legal and MIS purposes. Moreover, activities of the Internal Capital Adequacy Assessment Process (ICAAP) and its reporting activities were coordinated. Accordingly, detailed stress tests and scenario analysis were conducted, and projections were made for future period's capital requirements.

In 2024, in addition to routine activities, efforts were made to update rating models, the system infrastructure and automation level related to existing reporting, analysis, and compliance with legal obligations were improved, internal regulations were updated, and work continued on the integration of climate-related risks into the risk management systems. In 2024, the Risk Committee met four times. The committee reports the results of its activities to the Board of Directors through the Audit Committee. The Audit Committee continued to report its opinions to the Board of Directors regarding the results of its activities in 2024, the necessary measures and practices, and other matters that it deems important for the safe continuation of the Bank's operations. The Audit Committee monitored compliance with the legal regulations regarding internal control, internal audit, corporate compliance and risk management, as well as internal policies and implementation procedures approved by the Board of Directors. As a result of the Audit Committee's evaluations and reviews, it was observed that the Bank's internal systems were effectively functioning as expected and that the internal controls on financial reporting were effective.

The Audit Committee evaluated the support services received by the Bank and monitored the efforts of taking necessary measures for managing the risks efficiently in this process. Additionally, independent audit results, yearly and quarterly financial results, as well as independent audit reports, were assessed by the independent auditors. The independence of the rating institutions, independent audit firms and appraisal institutions in their activities related to the Bank and the adequacy of the allocated resources have been evaluated.

With respect to the activities and functioning of internal systems in 2024 which comprise internal audit, internal control, corporate compliance and risk management, we believe that the activities performed were highly qualified and satisfactory.

Advisory Committee

TSKB 2024 Year's Interest-Free Banking Activities
On February 6, 2023, following the earthquakes that occurred in our country, funding discussions between our bank and the Islamic Development Bank (IDB) aimed at financing projects and investments to support economic recovery and social rehabilitation in the affected provinces were successfully concluded. As of 2024, a financing agreement of USD 100 million under the "Post-Earthquake Economic Recovery Project" has come into effect between the parties.

This agreement is a "Line of Financing - Instalment Sale" agreement, aimed at financing the projects and investments detailed in the relevant financing contract. As stated by the Islamic Development Bank, this product has been introduced as a new product developed for the financing of medium- and long-term projects and has been put into practice in this context.

The provided financing and the related product have been structured by the Islamic Development Bank in accordance with the Principles and Guidelines of Interest-Free Banking. Therefore, its use must also be carried out in compliance with the same Principles and Guidelines of Interest-Free Banking, and it has been requested by our bank as a fundamental prerequisite, along with other contract terms, that this compliance be reported by an accredited Consulting Firm. To meet this request, our bank has signed a consultancy agreement with Isfa Islamic Finance Consulting Company, which has been authorized and accredited by the Participation Banks Association of Türkiye (TKBB) to provide Islamic finance and banking consultancy services. On the other hand, in order to ensure compliance with local legal regulations, legal consultancy services have also been obtained from Ayaz Avukatlık Ortaklığı to ensure that the activities carried out in accordance with the Principles and Guidelines of Interest-Free Banking also comply with local legislation.

The key aspect of the financing agreement and the Instalment Sale-based Project Financing product, from the perspective of the Principles and Guidelines of Interest-Free Banking, is the agency relationship established between our bank and the Islamic Development Bank. In this relationship, our bank is appointed as the fully authorized agent of the Islamic Development Bank, and all stages of the implementation are carried out by our bank on behalf of the Islamic Development Bank, in the capacity of a fully authorized agent. The financed goods, from the perspective of the Principles and Guidelines of Interest-Free Banking, remain the property of the Islamic Development Bank.

In accordance with the procedure outlined in the financing agreement, the goods are sold to our bank by the Islamic Development Bank, and at this stage, ownership of the goods transfers to our bank. Subsequently, the same goods are sold and/or leased by our bank to the customer.

Another financing agreement signed within the framework of the Principles and Guidelines of Interest-Free Banking, and the second participation-based product subject to this agreement, is the Two-Step Murabaha financing product, which is offered by the International Islamic Trade Finance Corporation (ITFC), a member of the Islamic Development Bank Group, specializing in trade, working capital, and short-term goods purchases. This product is also structured on an agency relationship, similar to the Instalment Sale-based Project Financing, in terms of the Principles and Guidelines of Interest-Free Banking. In the Two-Step Murabaha transaction, our bank is appointed as the fully authorized agent of ITFC, and all stages of the implementation are carried out by our bank on behalf of ITFC in the capacity of a fully authorized agent. The financed goods, from the perspective of the Principles and Guidelines of Interest-Free Banking, remain the property of ITFC. In accordance with the procedure outlined in the financing agreement, the goods are sold to our bank by ITFC, and at this stage, ownership of the goods transfers to our bank. Subsequently, the same goods are sold by our bank to the customer.

Both for the Instalment Sale-based Project Financing and the Two-Step Murabaha products, within the framework of the consultancy services provided in the fields of Islamic jurisprudence and law, a Consultation Committee consisting of three members, including a chairman, a vice chairman, and one member, was formed. The necessary approvals were obtained from the Bank's Management and the Banking Regulation and Supervision Agency (BRSA), and the Advisory Committee began its duties in 2024. The members of the Consultation Committee are G. Orhan TAŞTEKİL (Chairman), Dr. Mustafa Dereci (Vice Chairman), and Assoc. Prof. Dr. M. Salih KUMAŞ (Member). You can find the resumes of the Member, Vice Chairman, and Chairman via this link.

As of 2024, under the scope of the Advisory Committee and legal consultancy work, for both products:

- The General Loan Agreement, Financial Leasing Agreement (Leasing), Sub-Agency (Special Terms) Agreement, and Murabaha Agreements and their annexes have been prepared and/or revised in accordance with the Principles and Guidelines of Interest-Free Banking, both in Turkish and English. The English versions have been sent to the Islamic Development Bank/ITFC for their approval of compliance.
- In accordance with the regulations, Customer Information Forms have been prepared for both products.
- Application procedures for the Instalment Sale-based Project Financing and Two-Step Murabaha products have been prepared for bank employees.
- Necessary arrangements have been made on the bank's website regarding Interest-Free Banking products and practices, including the legal basis of the practices, the bank's purpose in offering Interest-Free Banking products among its products, product promotion forms, and two separate Certificates of Authorization for both products. Additionally, the resumes of the Consultation Committee members have been included on the bank's website.
- To ensure that both interest-free sources are tracked separately from the bank's other sources, necessary modifications have been made in internal and external reporting, emails, and other forms and documentation automatically generated by the system. Additionally, fundamental changes have been made in the accounting and information technology infrastructure to ensure that both products are subject to a workflow process that complies with the Principles and Guidelines of Interest-Free Banking as a whole.
- As required by regulations, four meetings have been held, each at least once every three months, and the topics discussed and the outcomes have been recorded in meeting reports. In addition to these routine meetings, event-based questions arising from the implementation processes have been addressed in a series of ad hoc meetings and discussions, sometimes involving the participation of the Islamic Development Bank's Advisory Committee, and have been resolved.

In this regard, we would like to inform you, as the TSKB Consultation Committee, that the financing disbursements and related applications for the Instalment Sale-based Project Financing and Two-Step Murabaha products, as mentioned above, have been carried out in accordance with the Principles and Guidelines of Interest-Free Banking.

Certainly, only Allah Almighty knows what is absolutely right.

Respectfully,

Isfa Advisory Committee

February 27, 2025

COMPLIANCE OPINIONS

Independent Auditor's Report on the Annual Report of the Board of Directors

pwc

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the General Assembly of Turkiye Sınai Kalkınma Bankası A.Ş.

1. Qualified Opinion

We have audited the annual report of Turkiye Sınai Kalkınma Bankası A.Ş. (the "Bank") and its subsidiaries (the "Group") subject to consolidation for the period of 1 January 2024 - 31 December 2024.

In our opinion, except for the effect of the matter described in the Basis For Qualified Opinion paragraph below, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Group's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set unconsolidated and consolidated financial statements and with the information obtained in the course of independent audit.

2. Basis for Qualified Opinion

As expressed in the auditor's reports dated 4 February 2025 on the Bank's and the Group's full set unconsolidated and consolidated financial statements for the 1 January - 31 December 2024 period;the unconsolidated and consolidated financial statements include a free provision classified as other provision as at 31 December 2024 amounting to TL 2,050,000 thousand, which consists of TL 1,750,000 thousand provided in prior years and TL 300,000 thousand provided in the current period, by the Bank and the Group management, outside of the requirements of BRSA Accounting and Financial Reporting Legislation. Had this provision not been accounted for, other provisions would have been decreased by TL 2,050,000 thousand, net profit and equity would have increased by TL 300,000 thousand and TL 2,050,000 thousand, respectively as at 31 December 2024.

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") and the scope of "Regulation on Independent Audit of Banks" published on the Official Gazette No. 29314 dated 2 April 2015. Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our qualified opinion.

Independent Auditor's Report on the Annual Report of the Board of Directors

3. Our Audit Opinion on the Full Set Unconsolidated and Consolidated Financial Statements

We expressed a qualified opinion in the auditor's reports dated 4 February 2025 on the Bank's and the Group's full set unconsolidated and consolidated financial statements for the 1 January 2024 - 31 December 2024 period.

4. Board of Director's Responsibility for the Annual Report

The Group management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102, Capital Markets Board's ("CMB") Communiqué Serial II, No: 14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") and "Regulation on Principles and Procedures Regarding Preparation and Promulgation of Annual Reports by Banks" published in Official Gazette No. 26333 dated 1 November 2006 are as follows:

a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;

b) to prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report, financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regard to these matters are also included in the report.

c) to include the matters below in the annual report:
events of particular importance that occurred after the operating year,
the research and development activities of the Group,
financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Banking Regulation and Supervision Agency, Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of the TCC, Communique and "Regulation on Independent Audit of Banks" published on the Official Gazette No. 29314 dated 2 April 2015 provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited unconsolidated and consolidated financial statements of the Bank and the Group and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited unconsolidated and consolidated financial statements and with the information obtained in the course of audit.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Gökçe Yaşar Temel, SMMM
Independent Auditor

Istanbul, 27 February 2025

Integrated Annual Report Limited Assurance Report

CONVENIENCE TRANSLATION INTO ENGLISH OF PRACTITIONER'S LIMITED ASSURANCE REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES SUSTAINABILITY INFORMATION IN ACCORDANCE WITH TURKISH SUSTAINABILITY REPORTING STANDARDS

To the General Assembly of Türkiye Sınai Kalkınma Bankası A.Ş.

We have undertaken a limited assurance engagement on Türkiye Sınai Kalkınma Bankası A.Ş. (the "Bank") and its subsidiaries (collectively referred to as the "Group"), Sustainability Information on pages 2 to 3 and 26 to 175 of the Integrated Annual Report ("Sustainability Information") for the year ended 31 December 2024 in accordance with Turkish Sustainability Reporting Standards 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and Turkish Sustainability Reporting Standards 2 "Climate Related Disclosures".

Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Integrated Annual Report 2024 or linked to from the Sustainability Information or from the Integrated Annual Report 2024 (including any images, audio files, document embedded in a website or embedded videos).

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the 'Summary of the work we performed as the basis for our assurance conclusion' and the evidence we have obtained, nothing has come to our attention that causes us to believe that Group's Sustainability Information pages 2 to 3 and 26 to 175 of the Integrated Annual Report for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with Turkish Sustainability Reporting Standards published in the Official Gazette dated 29 December 2023, and numbered 32414(M) and issued by Public Oversight Accounting and Auditing Standards Authority (the "POA") . We do not express an assurance conclusion on information in respect of earlier periods or on any other information included in the Integrated Annual Report 2024 or linked to from the Sustainability Information or from the Integrated Annual Report 2024, including any images, audio files or embedded videos.

Inherent Limitations in Preparing the Sustainability Information

As discussed in "Calculation Principles of Metrics" on pages 212 to 225 the Sustainability Information is subject to inherent uncertainty because of incomplete scientific and economic knowledge. Greenhouse gas emission quantification is subject to inherent uncertainty because of incomplete scientific knowledge. Additionally, the Sustainability Information includes information based on climate-related scenarios that is subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing or effect of possible future physical and transitional climate-related impacts.

Responsibilities of Management and Those Charged with Governance for the Sustainability Information

Management of Group are responsible for:

- The Group management is responsible for the preparation of the sustainability information in accordance with Turkish Sustainability Reporting Standards;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error;
- The Group Management is also responsible for the selection and implementation of appropriate sustainability reporting methods, as well as making reasonable assumptions and developing estimates in accordance with the conditions.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Practitioner's Responsibilities for the Limited Assurance on Sustainability Information

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Directors of Group.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the sustainability information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of Sustainability Information.

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

Integrated Annual Report Limited Assurance Report

Professional Standards Applied

We performed a limited assurance engagement in accordance with Standard on Assurance Engagements 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information and, in respect of greenhouse gas emissions included in the Sustainability Information, in accordance with Standard on Assurance Engagements 3410 Assurance Engagements on Greenhouse Gas Statements, issued by POA.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") issued by the POA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was carried out by an independent and multidisciplinary team including assurance practitioners, sustainability and risk experts. We used the work of experts, in particular, to assist with determining the reasonableness of Group's information and assumptions related to climate and sustainability risks and opportunities. We remain solely responsible for our assurance conclusion.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Sustainability Information, we:

- Inquiries were conducted with the Group's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period
- The Group's internal documentation was used to assess and review the information related to sustainability;
- Considered the presentation and disclosure of the Sustainability Information.
- Through inquiries, obtained an understanding of Group's control environment, processes and information systems relevant to the preparation of the Sustainability Information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Evaluated whether Group's methods for developing estimates are appropriate and had been consistently applied, but our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Group's estimates;
- Obtained understanding of process for identifying risks and opportunities that are financially significant, along with the Group's sustainability reporting process.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Ali Yörük
Independent auditor

İstanbul, 27 February 2025

Calculation Principles of Metrics

Calculation Principles of Metrics

The information contained in these principles covers the financial year ending December 31, 2024, and the relevant operations in Türkiye for which TSKB is responsible, as detailed in the "Key Definitions and Scope of Reporting" section.

General Reporting Principles

The following principles have been considered in the preparation of this guidance document:

- In the preparation of information - to emphasize to users of information the basic principles of relevance and reliability of information,
- In reporting information - emphasizing the principles of comparability/consistency of information with other data, including previous year, and the principles of understandability/ transparency providing clarity to users.

Key Definitions and Scope of Reporting

For the purpose of this report, the Bank makes the following definitions:

Capital	Indicator	Scope
Human	Ratio of Female Employees in the Bank (%)	In the reporting period, it expresses the ratio of the number of female employees in the Banking Staff, defined as employees with hierarchy code 1000 and above, which is monitored by the Bank's Human Resources data platform, to the total number of employees.
Human	Ratio of Female Employees in the Management (%)	In the reporting period, it refers to the ratio of the number of female employees in the Bank's managerial staff, which is defined as employees with a hierarchy code of 6000 and above, including Manager and above positions, tracked through the Bank's Human Resources data platform, to the total number of managers
Human	Ratio of Female Members in the Board of Directors (%)	In the reporting period, it refers to the ratio of female members of the Board of Directors among the members of the Board of Directors published on the Bank's official website and in the Annual Reports.
Human	Percentage of Women in Senior Management (%)	In the reporting period, it refers to the ratio of the number of female employees in senior management, consisting of Director, Deputy General Manager, and General Manager positions, tracked by the Bank's Human Resources data platform, to the total number of members in senior management.
Human	Gender Pay Gap (Average)	In the reporting period, it refers to the ratio between the arithmetic averages of the gross salaries of the Bank's female and male employees, which are monitored through the Human Resources data platform and reported to the Social Security Institution.
Human	Gender Pay Gap (Median)	In the reporting period, it refers to the ratio of the median of the gross salaries of the Bank's female and male employees, which are monitored by the Human Resources data platform and reported to the Social Security Institution, when sorted from smallest to largest, which means taking the number that separates the series from the middle.
Human	Average Training Hours Per Employee (hours)	In the reporting period, it refers to the ratio to the average number of employees of the Banking staff in the relevant year, which is monitored through the Bank's Training Portal. Banking staff does not include administrative staff employees.

Capital	Indicator	Scope
Human	Employee Turnover Rate (Among High Performance Employees) (%)	In the reporting period, the ratio of the number of employees whose performance grade in 2024 is 2.75 and above on average in the last 4 years on a scale of 1-4 points and who are defined as high performers, to the total number of high performers of the Bank's employees who left their jobs by declaring to the Bank's Social Security Institution with the Declaration of Resignation of Employment within the reporting year.
Human	Hybrid Working Ratio (%)	In the reporting period, it refers to the ratio obtained by subtracting the ratio obtained by dividing the number of employees entering the Bank between January 2024 and December 2024, which is monitored by Card Access System (KGS), first by working days and then by the number of employees, from 1. The number of employees entering the Bank, working days and number of employees are calculated on a monthly basis and employees on leave are not included in this monthly calculation. The entries of persons with the same registration number who enter the Bank more than once during the day through the KGS system are counted once.
Human	Ratio of Female Employees on Maternity Leave (%)	In the reporting period, it refers to the ratio of the number of female employees who took maternity leave within the periods specified in the regulation within the scope of the Regulation on Part-Time Work to be Performed After Maternity Leave or Unpaid Leave, which is monitored by the Human Resources data platform, to the total number of employees.
Human	Maternity Leave Return Rate (%)	In the reporting period, it refers to the ratio of the number of people who went on maternity leave within the periods specified in the regulation within the scope of the Regulation on Part-Time Work After Maternity Leave or Unpaid Leave, which is monitored by the Bank's Human Resources data platform, to the number of employees returning from maternity leave.
Human	Ratio of Male Employees on Paternity Leave (%)	In the reporting period, it refers to the ratio of the number of employees who took paternity leave to the total number of employees within the periods specified in the regulation within the scope of the Regulation on Part-Time Work to be Performed After Maternity Leave or Unpaid Leave, which is monitored by the Bank's Human Resources data platform.
Human	Participation Rate in Employee Engagement Survey (%)	In the reporting period, it refers to the ratio of the number of employees who responded to the Bank's employee satisfaction survey conducted by AON Hewitt Kincentric (IDE Consulting) to the total number of employees for whom the survey was shared.
Human	Ratio Of Female Employees Benefit from Flexible Working (%)	In the reporting period, it refers the ratio of the requests of female employees who entered flexible working at the Bank between January-December 2024, monitored by the Flexible Working Report, to the flexible working request entries of all employees.

Calculation Principles of Metrics

Capital	Indicator	Scope
Human	Ratio of Female Employees Benefit From Department Change (Rotation or Internal Transfer) (%)	In the reporting period, it refers to the ratio of the number of female employees who were included in the rotation process, which is defined as internal transfer or temporary assignment in a different department, which is monitored through the Bank's Human Resources data platform and notified to all employees through announcements within the Bank, to the total number of employees who changed departments.
Human	Ratio of Female Employees Among New Hires (%)	In the reporting period, it refers the ratio of the number of women recruited in the Banking staff, which is monitored by the Bank's Human Resources data platform, recruited by the Bank and declared to the Social Security Institution with the Declaration of Employment within the reporting year, to the total number of people recruited.
Human	Ratio of Female Employees Promoted (%)	In the reporting period, it refers to the ratio of the number of promoted female employees to the total number of promoted employees, which is monitored through the Bank's Human Resources data platform and notified to all employees through announcements within the Bank.
Human	Ratio of Female Employees Joining TSKB through TSKB Academy New Graduate Program (%)	In the reporting year, it refers the ratio of the number of female employees who successfully completed the TSKB Academy MT programme and started to work as MTs at the Bank, who are 4th year students in Business Administration, Economics, Engineering faculties or postgraduate students in Economics or Finance or recent graduates, to the total number of TSKB Academy New Graduate Program participants.
Human	Ratio of Female Candidates Involved in Recruitment Process (%)	In the reporting period, it refers to the ratio of the number of female candidates interviewed in the recruitment process for open positions, which is monitored through the Bank's Human Resources data platform, to the total number of interviewed candidates.
Human	Ratio of Female Employees Working as External Representatives at the University (%)	In the reporting period, the ratio of the number of female employees working in university collaborations to the total number of people working in university collaborations, as disclosed on the Bank's official website.
Human	Ratio of Female Employees Participating in the Sustainability Workshop (%)	In the reporting period, the ratio of the number of female participants in the case study on sustainability conducted for university students to the total number of participants.
Human	Usage Rate of the Mobile Application Reflex, Where TSKB Supports Instant Feedback, Appreciation, and Interaction (%)	In the reporting period, it refers to the rate of in-bank usage of the mobile application, which is in the use of the Bank's departments, with which they interact through online communication platforms, and through which data related to the reporting period can be monitored as of the reporting period.
Human	Keeping the Sustainability Development Journey Completion Rate at least 50% (%)	In the reporting period, it refers to the completion rates of the 'Sustainability Development Journey' training courses followed through the Bank's training portal by the Bank's employees.
Human	Number of Companies to Which the Assessment Tool Was Applied Within the Scope of Circular Economy (#)	In the reporting period, it refers to the number of companies monitored by the Bank's Corporate Banking Marketing Department, evaluated by using the evaluation tool within the scope of the "Circular Economy" credit theme within the credits provided by the Bank, and the number of companies for which action and development points were suggested as a result of participation in the evaluation questionnaire.

Capital	Indicator	Scope
Intellectual	TSKB Economic Research Reports and Blog Posts (#)	In the reporting period, it refers to the number of reports prepared by the Bank's TSKB Economic Research Department in Turkish and English under the titles of TSKB Agenda, TSKB Weekly Agenda, Macro Opinion, Energy Bulletin, Climate News, TSKB Outlook, New Month, and blog posts published on the website https://www.tskb.com.tr/tr/yatirim-bankaciligi/ekonomik-arastirmalar and https://www.tskb.com.tr/blog.
Intellectual	Publishing 2 Reference Reports Focused on Macroeconomics and Development in the TSKB Development Perspective Category	In the reporting period, it refers to the number of reference reports focused on Macroeconomics and Development published by the TSKB Economic Research unit in the 'Development Perspective' category on the website https://www.tskb.com.tr/arastirma-raporlari/ekonomik-arastirmalar/tskb-bakis
Intellectual	Drawing attention to the ecosystem crisis with a perspective that includes biodiversity, pollution and nature as well as climate with the Ecosystem Report, and publishing a new report in Turkish and English every quarter to support intellectual capital with current developments.	In the reporting period, it refers to the number of Ecosystem Review reports prepared in Turkish and English each quarter by the Bank's TSKB Economic Research Unit, as published on the websites https://www.tskb.com.tr/arastirma-raporlari/ekonomik-arastirmalar/ekosisteme-dair and https://www.tskb.com.tr/en/research-reports/economic-research/ecosystem-review
Natural	Contribution to CO_2 Emission Reductions from Financed Renewable Energy Projects By the End Of 2024 (Million tons CO_2/year)	In the reporting period, it refers to the amount of CO_2 emission reduction prevented by renewable energy projects covering Biomass Power Plants, Geothermal Power Plants, Solar Power Plants, Hydroelectric Power Plants and Wind Power Plants, which are monitored through the Bank's credit screens and financed by contracts and Board of Directors' resolutions to date.
Natural	TSKB Solo Scope 1 Emissions (*TSRS Metric)	In the reporting period, it refers to the amount of greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the Bank's natural gas consumption tracked through invoices, the diesel and gasoline consumption of company vehicles monitored by a third-party firm, the diesel consumption of generators monitored through invoices, and the fire extinguishers and refrigerant gases monitored via service forms from the maintenance company.
Natural	TSKB Solo Scope 2 Emissions - Market-Based (*TSRS Metric)	In the reporting period, it refers to the amount of the indirect greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the remaining amount of electricity generated, which is calculated by subtracting the amount of purchased renewable energy (I-REC) from the amount of indirect greenhouse gas emissions resulting from electricity consumption representing the Bank's indirect energy consumption.
Natural	TSKB Solo Scope 2 Emissions - Location-Based (*TSRS Metric)	In the reporting period, it refers to the amount of indirect greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the generation of electricity, which represents the Bank's indirect energy consumption.

Calculation Principles of Metrics

Capital	Indicator	Scope
Natural	TSKB and Affiliates Scope 1 Emissions ($tonCO_2e$) (*TSRS Metric)	In the reporting period, it refers to the amount of direct greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the Bank and its affiliates' natural gas consumption tracked through invoices, the diesel and gasoline consumption of company vehicles monitored by a third-party firm, the diesel consumption of generators tracked through invoices, and the fire extinguishers and refrigerant gases monitored via service forms from the maintenance company.
Natural	TSKB and Affiliates Scope 2 Emissions - Market-Based (tonCO2e) (*TSRS Metric)	In the reporting period, it refers to the amount of indirect greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the remaining amount of electricity generated, which is calculated by subtracting the amount of purchased renewable energy (I-REC) from the amount of indirect greenhouse gas emissions resulting from electricity consumption representing the Bank's indirect energy consumption.
Natural	TSKB and Affiliates Scope 2 Emissions - Location-Based ($tonCO_2e$) (*TSRS Metric)	In the reporting period, it refers to the amount of indirect greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the generation of electricity, which represents the indirect energy consumption of the Bank and its affiliates.
Natural	TSKB Solo Scope 3 Emissions ($tonCO_2e$) (*TSRS Metric)	In the reporting period, it refers to the amount of greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the value chain, calculated according to the Bank's Greenhouse Gas Protocol. Scope 3 emissions consist of the following subcategories: Category 1: Emissions resulting from the consumption of purchased paper, cardboard, and water. Category 2: Emissions resulting from the production of purchased capital goods. Category 6: Emissions resulting from transportation during domestic and international business travel. Category 7: Emissions resulting from the transportation of employees commuting to and from work. Category 15: Represents the share of the company's Scope 1, 2, and 3 emissions from companies in the investment portfolio, corresponding to the proportion financed by the company in the relevant year.
Natural	Head Office Electricity Consumption (kWh)	In the reporting period, it refers to the amount of electricity consumed during the reporting period, which is monitored through the Digital Sustainability Management System application used by the Head Office, which can be mapped with the invoices received from the service provider institutions and financial reporting systems over (12 months).
Natural	Electricity Density (kWh/m^2)	In the reporting period, it refers to the ratio of the amount of electricity consumed to the total m^2, which is monitored through the Digital Sustainability Management System application used by the Bank and can be mapped with financial reporting systems over the invoices (12 months) received from service provider institutions. Front and Rear Building, Education and Culture Facilities locations are included in the consumption amount.

Capital	Indicator	Scope
Natural	Head Office Natural Gas Consumption (m^3)	In the reporting period, it refers to the amount of natural gas consumed by the Head Office in the operations requiring heating, kitchen and other natural gas, which can be mapped with financial reporting systems through the invoices (12 months) received from service provider institutions and monitored through the Digital Sustainability Management System application used.
Natural	Natural Gas Density (m^3/m^2)	In the reporting period, it refers to the ratio of the amount of natural gas consumed to the total m2 , which is monitored through the Digital Sustainability Management System application used by the Bank, used in heating, kitchen and other operations requiring natural gas in the Front and Back Building, which can be mapped with financial reporting systems through invoices (12 months) received from service provider institutions. The consumption amount includes the locations of the Front and Rear Buildings, Education and Culture Facilities.
Natural	Head Office Water Consumption (m^3)	In the reporting period, it refers to the amount of municipal water consumed, which is monitored through the Digital Sustainability Management System application used by the Head Office, and which can be mapped with financial reporting systems over the invoices (12 months) received from service provider institutions.
Natural	Water Density (m^3 /employee)	In the reporting period, it refers to the ratio of the amount of municipal water consumption, which is monitored from the invoices received by the Bank from service providers (12 months) and can be mapped with financial reporting systems, to the total number of employees who come to the Bank in hybrid working order. Front and Back Building, Education and Culture Facilities locations are included in the consumption amount.
Natural	Head Office Paper Consumption (kg)	In the reporting period, it refers to the total amount of paper/cardboard consumption purchased and used by the Bank.
Natural	Amount of Recycled Plastic and Paper (kg)	In the reporting period, it refers to the total amount of plastic and paper/cardboard waste sent to Beyoğlu Municipality for recycling and tracked with signed waste reports.
Financial	Not Financing New Coal-Fired Thermal Power Plants and Coal Mining Investments for Electricity Generation Within the Scope of Combating Climate Change (#)	In the reporting period, it refers to the presence of Coal Fired Thermal Power Plant and Coal Mining for Electricity Generation within the total investment financing projects monitored by the Bank's credit screens.
Financial	Number of Renewable Energy Projects Financed by the End of 2024, Categorized by Their Sources (#)	In the reporting period, the number of renewable energy projects that are monitored through the Bank's credit screens and financed by contracts and Board of Directors' resolutions, including Biomass Power Plants, Geothermal Power Plants, Solar Power Plants, Roof/Land Solar Power Plants, Hydroelectric Power Plants and Wind Power Plants, according to their source.

Calculation Principles of Metrics

Capital	Indicator	Scope
Financial	Total Installed Capacity Based on the Source by the End of 2024 (MW)	In the reporting period, it refers to the total installed power amount of renewable energy projects including Biomass Power Plants, Geothermal Power Plants, Solar Power Plants, Hydroelectric Power Plants and Wind Power Plants, which are monitored through the Bank's credit screens and financed by contracts and Board of Directors' decisions.
Financial	Rate of achievement of USD 400 million earthquake mitigation financing target by the end of 2025	In the reporting period, it refers to the loan amount in million US currency allocated to the following earthquakes that occurred in Türkiye on February 6, 2023, tracked through the Bank›s lending screens, contracts, and Board of Directors decisions: · Companies located in the provinces and peripheral regions affected by the earthquake, · Companies operating in commercial activities that produce earthquake-related materials, · Companies operating in the supply chain repair activities of the affected region.
Financial	TSKB's Share in the Renewable Energy Capacity of Projects Funded Until the End of 2024 (%)	In the reporting period, the ratio of the total installed capacity of renewable energy projects including Biomass Power Plants, Geothermal Power Plants, Solar Power Plants, Hydroelectric Power Plants and Wind Power Plants, which are monitored through the Bank's credit screens and financed by contracts and decisions of the Board of Directors, to the total installed capacity of renewable energy projects in Türkiye monitored through the Turkish Electricity Transmission Company (TEİAŞ) system.
Financial	$4 Billion Climate Finance Target by 2030 (*TSRS Metric)	In the reporting period, it refers to the amount of loans in US allocated in 2024 with the contracts and Board of Directors' decisions, associated with the themes of Renewable Energy, Energy Efficiency, Circular Economy, Adaptation, Resource Efficiency, Raw Material Efficiency, Energy Generation, , which are monitored through the Bank's credit monitoring system and assessed as having a direct or indirect impact on reducing climate change as a result of the evaluations with the sustainability assessment criteria manual.
Financial	USD 10 billion SDG-related Financing Target Achievement Rate by 2030 (%) (*TSRS Metric)	In the reporting period 01.01.2024 - 31.12.2024, it represents the percentage of the total amount of loans identified as being linked to the United Nations Sustainable Development Goals within the total sum of 10 billion USD, based on evaluations made with the Bank's sustainability assessment criteria manual.
Financial	Ratio of SDG-Linked Loans in the Loan Portfolio (%)	In the reporting period, it refers to the percentage of United Nations Sustainable Development Goals related loans in the Bank's total loan portfolio as of 31.12.2024. Financial sector loans, loans related to non-renewable power plants, working capital and acquisition loans of companies whose field of activity is fuel distribution and coal trade are not defined as SDG loans.

Capital	Indicator	Scope
Financial	The Share of Climate and Environment Focused SDG-Linked Loans in the Loan Portfolio (%) (*TSRS Metric)	In the reporting period, it refers to the percentage of United Nations Sustainable Development Goals-related, Climate and Environment Theme-related loans in the Bank's total loan portfolio as of 31.12.2024. Financial sector loans, loans related to non-renewable power plants, working capital and acquisition loans of companies whose field of activity is fuel distribution and coal trade are not defined as SDG loans.

Data Preparation

1. Environmental Indicators

Head Office Electricity Consumption (kWh)
Formula:
((Electricity Consumption in the First 6 Months * Total Number of Employees Excluding Subsidiaries * Total Area of TSKB Head Office Excluding Subsidiaries) / ((Total Area of Head Office Including Subsidiaries - Total Area of Investment Finance)) * (Total Number of Employees Including Subsidiaries - Total Area of Investment Finance)) + ((Electricity Consumption in the Last 6 Months * Total Number of Employees Excluding Subsidiaries * Total Area of TSKB Head Office Excluding Subsidiaries) / ((Total Area of Head Office Including Subsidiaries - Total Area of Investment Finance)) * (Total Number of Employees Including Affiliates - Total Area of Investment Finance))

Head Office Natural Gas Consumption (m^3)
Formula:
((Natural Gas Consumption in the First 6 Months * Total Number of Employees Excluding Subsidiaries * Total Area of TSKB Head Office Excluding Subsidiaries) / ((Total Area of Head Office Including Subsidiaries * Total Number of Employees Including Subsidiaries)) + ((Natural Gas Consumption in the Last 6 Months * Total Number of Employees Excluding Subsidiaries * Total Area of TSKB Head Office Excluding Subsidiaries) / ((Total Area of Head Office Including Subsidiaries * Total Number of Employees Including Subsidiaries))

Head Office Water Consumption (m^3)
Formula:
(Water Consumption of the first 6 Months / (Total Number of Employees Excluding Subsidiaries * Total Number of Employees Including Subsidiaries) + (Water Consumption of the Last 6 Months / (Total Number of Employees Excluding Subsidiaries * Total Number of Employees Including Subsidiaries)

Calculation Principles of Metrics

Electricity Density (kWh/m^2)
Formula:
Head Office Electricity Consumption / Front and Rear Building, Education and Culture Facilities m^2 Area

Natural Gas Density (kWh/m^2)
Formula:
Head Office Natural Gas Consumption / Front and Rear Building, Education and Culture Facilities m^2 Area

Water Density (m^3 /employee)
Formula:
Head Office Water Consumption / Total Number of Employees Actually Attending the Bank in Hybrid Working Pattern

TSKB's Share in the Renewable Energy Capacity of Projects Funded Until the End of 2024 (%)
Formula:
TSKB Installed Capacity of Renewable Energy Capacity (MW) / Installed Capacity of Energy Capacity in Türkiye (MW)

Contribution to CO_2 Emission Reductions from Financed Renewable Energy Projects by the End Of 2024 (tons CO_2/year)
The amount of CO_2 emission reduction avoided by renewable energy projects including Biomass Power Plants, Geothermal Power Plants, Solar Power Plants, Hydroelectric Power Plants and Wind Power Plants is calculated.

Formula:
Electricity Generation Amount (kWh) * Emission Reduction Factor (tCO_2e) * 0.001

Emission Reduction Factor:

	Tons CO_2e/MWh
WPP and SPP	0.665
BPP:	3.580
Other Projects:	0.524

Number of Reached Households by Total Installed Capacity (#)
Formula:
Number of Households: Electricity Generation Amount (kWh) / Electricity per Household / Residential (kWh/Household)

Electricity Generation Amount (KwH):
Installed Power (MW) * 1,000 * 8,760 * Capacity Utilisation Rate
Coefficient of Conversion: 1 MW = 1,000 KwH
Total Working Hours per Year = 8,760
Capacity Utilisation Rate: 2024 EPİAŞ Electricity Generation (KwH) / (2024 TEİAŞ Installed Capacity (KwH) * 8,760)

Electricity per Household / Residential (kWh/Household): EMRA Residential Electricity (MWh) / Number of Households/Residentials (#)
EMRA Residential Electricity (MWh): Residential electricity consumption (2022)
https://www.epdk.gov.tr/Detay/Icerik/3-0-24-3/elektrikyillik-sektor-raporu
Number of Households/Residential: Population of Türkiye (#) / Number of People per Household (#)
Number of People per Household: Number of persons per household (2022)
https://data.tuik.gov.tr/Bulten/Index?p=Istatistiklerle-Aile-2022-49683
Population of Türkiye (2022) :
https://data.tuik.gov.tr/Bulten/Index?p=49685

Scope 1, 2 and 3 Greenhouse Gas Emissions (tons CO_2 equivalent)
Scope 1, Scope 2, and Scope 3 emissions have been calculated in accordance with ISO 14064-1 and within the framework of the "Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard," using the operational control approach. In the calculations, conversion factors to carbon dioxide equivalent (CO_2e) have been applied for CO_2, CH_4, N_2O, and HFCs. The emission factors used were sourced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, and the Global Warming Potential (GWP) coefficients were obtained from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report. Further details are provided in the table on page 126.

The emission factors used inherently contain uncertainties, particularly for Scope 3 greenhouse gas emissions, as they rely on activity data and emission factors obtained from third parties. These calculations are carried out based on the following formulas:

CO_2 source carbon emissions
*= Operational Data * Emission Factor CO_2 * Global Warming Potential CO_2*

CH_4 source carbon emissions
*= Operational Data * Emisssion Factor CH_4 * Global Warming Potential CH_4*

N_2O source carbon emissions
*= Operational Data * Emission Factor N_2O * Global Warming Potential N_2O*

Emission Amount (tonCO_2 equivalent)
= CO_2 Emission Amount + CH_4 Emission Amount + N_2O Emission Amount

Calculation Principles of Metrics

2. Social Indicators

Ratio of Females Employees in the Bank (%)
Formula:
Number of Female Employees / Total Number of Employees

Ratio of Female Employees in Management (%)
Formula:
Number of Female Employees in Management / Total Number of Managers

Gender Pay Gap (Average) (%)
Formula:
(1- (Average Gross Salary of Female Employees) / Average Gross Salary of Male Employees)

Gender Pay Gap (Median) (%)
Formula:
(1- (Gross Salaries of Female Employees) / Gross Salaries of Male Employees)

Ratio of Employees in the Sustainability Structure (%)
Employees in the Sustainability Structure / Total Number of Employees

Ratio of Female Employees in the Sustainability Structure (%)
Female Employees in the Sustainability Structure / Total Number of Employees in the Sustainability Structure

Average Training Hours Per Employee (hours)
Total Completed Training Hours / Total Number of Employees

Employee Turnover Rate (Among High Performance Employees) (%)
Number of High-Performance Employees Quitting / Employees defined as High-Performance

Average Remote/Hybrid Operation Rate (%)
Formula:
[(Number of Daily Entries (Duplicate entries are counted as 1) / Working Day) / (Total Number of Employees)] -1

Ratio of Female Employees on Maternity Leave (%)
Formula:
Number of Female Employees on Maternity Leave / Total Number of Employees

Maternity Leave Return Rate (%)
Formula:
Number of Female Employees Going on Maternity Leave / Number of Employees Returning from Maternity Leave

Ratio of Male Employees on Paternity Leave (%)
Number of Male Employees on Paternity Leave / Total Number of Employees

Ratio of female employees benefit from Department Change (rotation or internal transfer)
Formula:
Number of Female Employees Who Changed Departments / Total Number of Employees Who Changed Departments

Ratio of Employees Recruited (%)
Formula:
Number of Female Employees Recruited/ Total Number of Female Employees Recruited

Ratio of Employees Promoted (%)
Formula:
Number of Promoted Female Employees / Total Number of Promoted Employees

Ratio of Female Employees Joining TSKB through TSKB Academy New Graduate Program (%)
Formula
Number of Female Employees Recruited through New Graduate Programme / Total Number of Employees Recruited through New Graduate Programme

Ratio of Female Candidates Involved in Recruitment Process (%)
Formula:
Number of Female Candidates Who Entered the Recruitment Interview for Vacant Positions / Total Number of Candidates Who Entered the Recruitment Interview for Vacant Positions

Ratio of Female Employees Working as External Representatives at the University (%)
Formula:
Number of Female Employees in University Collaborations / Total Number of Employees in University Collaborations

Participation Rate in Employee Satisfaction Survey (%)
Formula:
Number of Employees Participating in Employee Satisfaction Survey / Number of Employees Sent Employee Satisfaction Surveys

Ratio of Female Employees Participating in the Sustainability Workshop (%)
Ratio of Female Employees Participating in the Sustainability Workshop / Employees Participating in Sustainability Workshops

Calculation Principles of Metrics

The Share of SDG-Linked Loans in the Loan Portfolio (%)
TSKB's banking system application list includes a "data analysis" section where loans are tracked together with their credit themes, SDG linkages, risk amounts and source of disbursement details.

SDG links are entered into the system according to the purpose of the project and the main activities of the company. The subject and purpose of the loan are specified in the loan agreements and loan approval forms between the Bank and the counterparty.

Financial sector loans, loans related to non-renewable energy power plants, working capital and acquisition loans of companies whose field of activity is fuel distribution and coal trade are not defined as SDG loans.

Sustainable themed loans are listed under the following 2 main headings:
1) APEX loans, by definition; loans granted only to SMEs (small and medium-sized enterprises) and exporters through other financial institutions such as leasing companies, commercial banks and participation banks.

2) The themed loans are as follows;
- Energy production
- Renewable energy
- Energy and resource efficiency
- Adaptation to environment and climate change
- Sustainable tourism
- Underdeveloped regions
- Electricity and gas distribution (only infrastructure loans are included in this scope)
- Health and Education
- Small and medium-sized enterprises
- Women employment
- Employment support
- Occupational health and safety
- Export support
- Agriculture industries
- Innovation and R&D

Formula:
Total amount of SDG-related risk / Total amount of risk

The share of climate and environment focused SDG-linked loans in the loan portfolio
Formula:
Risk amount of loans contributing to climate and environment related SDGs / Total risk amount

Significant Judgments and Measurement Uncertainties

- The process for identifying financially material sustainability-related risks and opportunities and determining the disclosures to be reported is based on forward-looking information and projections that include the Bank's short-, medium-, and long-term expectations regarding Tier I Capital, which is a key performance indicator in the sector. However, such assessments require the use of estimates for certain amounts that cannot be directly measured. Assumptions related to operational boundaries and emission calculations are provided under the heading "Data Preparation," while information on the metrics is disclosed on page 119.
- The information provided on page 112 regarding companies that may be affected by the Carbon Border Adjustment Mechanism (CBAM)—including the number of such companies, their likelihood of being impacted, market positions, and potential changes in their financial performance despite being subject to the mechanism—relies on forward-looking information and projections covering expectations for the short, medium, and long term.
- The calculation steps related to the potential financial impacts of water stress, as presented on page 113, are based on forward-looking information and projections regarding the expectations for the short, medium, and long term. These include the likelihood of companies located in water-stressed regions being affected, as well as potential changes in their financial performance despite such impacts.
- The Bank utilizes global climate scenarios (RCP and NZE) to estimate the potential financial and physical impacts of sustainability-related risks and opportunities. These scenarios involve uncertainties regarding how climate change — including increases or decreases in greenhouse gas emissions — may affect the frequency and intensity of climate-related events the Bank may face. Such uncertainties arise from the variability in climate projections and the potential unforeseen changes in the behavior of natural and extreme weather events due to evolving climate conditions and shifting weather patterns.

Other Uncertainties

The financial statement impacts presented on page 113 represent the expected credit loss provisions for loans. The Bank recognizes expected credit loss provisions in accordance with the requirements of "TFRS 9 Financial Instruments." TFRS 9 is a complex accounting standard that requires significant judgment and interpretation in practice. Such judgments and interpretations are critical in developing financial models used to measure expected credit losses on loans measured at amortized cost. The accounting policies related to the calculation of these provisions are detailed on page 279.

Presentation Currency

The currency used for the presentation of financial statements is utilized in financial disclosures related to sustainability.

Restatements

The measurement and reporting of verified data inevitably involve a degree of estimation. Where there is a change of more than 5% in the data at the group level, a re-statement of opinion may be considered.

ISO 14001 Audit Certificate

CERTIFICATE ■ ZERTIFICAT ■ CEPTИФИКАТ ■ شهادة ■ BELGE

SERTİFİKA

TÜV SÜD Türkiye
Yönetim Sistemleri Birimi

işbu sertifika ile

TSKB

TÜRKİYE SINAİ KALKINMA BANKASI

MECLİSİ MEBUSAN CAD. NO:81 FINDIKLI
34427 İSTANBUL / TÜRKİYE

şirketinin,

KALKINMA VE YATIRIM BANKACILIĞI

konusunda bir Çevre Yönetim Sistemi'ni yürürlüğe koyduğunu ve uygulamakta olduğunu teyit eder.

712925537 sayılı rapordaki inceleme ile

ISO 14001:2015

şartlarının sağlanmış olduğu kanıtlanmıştır.

İşbu sertifika, gözetim denetimlerinin gerçekleştirilmesi koşuluyla geçerlidir.

Sertifika Kayıt No.: **24 6 712925537**

İlk Yayın Tarihi: **21.01.2013**
Yayın Tarihi: **18.02.2024**
Geçerlilik Tarihi: **17.02.2027**
Revizyon Tarihi / Rev. No: **- / -**

TÜV SÜD Türkiye
Yönetim Sistemleri Birimi

TÜRKAK

TÜRKAK BDS NO
YS-5CBE-E80A

24-SER- 01071

Sertifika hakkında bilgi tel.: +90 212 347 98 10
Doküman No:FC-048 Revizyon No / Tarihi: 03 / 09.10.2023

Ayazağa Mahallesi, Mimar Sinan Sokak, No:21 Kat:1, Seba Ofis Bulvar, B Blok, 34396 • Sarıyer / İstanbul / Türkiye TÜV®

ISO 14064 Audit Certificate

CERTIFICATE • CERTIFICATE • CERTIFICATE • CERTIFICATE

VERIFICATION OPINION STATEMENT

TÜV SÜD Türkiye
Industry Service Division

certifies that the GHG Assertion reported by

TSKB
Türkiye Sınai Kalkınma Bankası A.Ş.
Meclisi Mebusan Caddesi 81 Fındıklı ,34427
Beyoğlu/İstanbul /Türkiye

Please see appendix for included sites & scope.

Contract No: **25-IS-0112a-34-S / 712926753**
Report No: **25-GR-0129**

An audit was performed and has a demonstrated that the requirements laid down by

ISO 14064-1:2018

are fulfilled.

Certificate and Appendix Registration No.: **25-SER-01074-IS_VOS**

Issue Date: 24.02.2025
Revision date / Rev. No: - / -

TÜV SÜD Türkiye
Industry Service Division

Document No FSU-003 Revision No / Date: 00 / 12.12.2023 Page: 1 / 4

Ayazağa Mahallesi, Mimar Sinan Sokak, No:21 Kat:1, Seba Ofis Bulvarı, B Blok, 34396 • Sarıyer / İstanbul / Türkiye TÜV®

Certificate and Appendix Registration No.: **25-SER-01074-IS_VOS**

APPENDIX

Base Year: 2021

Application Year: 2024

Categories opted for Demonstration:
☒ Category 1 ☒ Category 2 ☒ Category 3 ☒ Category 4
☒ Category 5 ☒ Category 6

Reporting Period: January 2024 to December 2024

	Market-based (tCO_2e)	Location-based (tCO_2e)
Category 1 – Direct GHG emission and removals:	422	422
Category 2 – Indirect GHG emission from imported energy:	0	515
Category 3 – Indirect GHG emission from transportation:	369	369
Category 4 – Indirect GHG emissions from products used by organization:	704	704
Category 5 – Indirect GHG emissions associated with the use of organizations products:	1,266,435	1,266,435
Category 6 – Indirect GHG emissions from other sources:	0	0
Total:	**1,267,930**	**1,268,445**

Non-biogenic GHG emissions (tCO_2)	**1,267,930**
Non-anthropogenic biogenic GHG emissions (tCO_2)	0
Anthropogenic biogenic GHG emissions (tCO_2)	0

Document No FSU-003 Revision No / Date: 00 / 12.12.2023 Page: 2 / 4

ISO 14064 Audit Certificate

Project title	Türkiye Sınai Kalkınma Bankası A.Ş. - Annual Verification of GHG Assertion - as per ISO 14064 1:2018 and ISO 14064-3:2019
Name of the client	Türkiye Sınai Kalkınma Bankası A.Ş.
Location	Meclisi Mebusan Cad. 81 Fındıklı Beyoğlu/ İstanbul 34427 Türkiye
Sites included in organisational boundary	• Meclisi Mebusan Cad. 81 Fındıklı 34427 İstanbul • Kızılırmak Mahallesi, Dumlupınar Bulvarı No: 9, A Blok, Kat: 12, Kapı No: 517 YDA Center, A1 blok 12. Kat daire 517-518-519-520, Çankaya / Ankara
Base year	2021
Inventory year	2024
Reporting period	1st January 2024 to 31st December 2024
Criteria	ISO 14064-1:2018 Greenhouse gases Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals ISO 14064-3:2019 Greenhouse gases Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Objective: The objectives of this audit were to:

- To determine the extent of conformity of Türkiye Sınai Kalkınma Bankası A.Ş.'s GHG emissions report with the applicable verification criteria ISO 14064-3 – Category 1, Category 2, Category 3, Category 4, Category 5, and Category 6, including the principles and requirements of ISO 14064-1.
- To assess the completeness of the organization's GHG inventory of GHG emissions.
- Evaluate the organization's GHG information system and its controls/management in preparing emission report.
- Confirm whether the GHG assertion is without material and whether the verification activities provide the level of assurance agreed to at the beginning of the verification process.

Level of Assurance Achieved:

"Reasonable" for Category 1,2
"Limited" for Category 3,4,5,6

Conclusion on the GHG assertion, including any qualifications or limitations (hypothetical, projected and/or historical in nature):

Whether there is

☒ evidence that the GHG assertion is materially correct and fair representation

of the GHG data and information or that it has been prepared in accordance with the related international standard on GHG quantification, monitoring and reporting or to relevant national standards or practices.

☐ no evidence that the GHG assertion is materially correct and fair representation of the GHG data and information or that it has not been prepared in accordance with the related international standard on GHG quantification, monitoring and reporting or to relevant national standards or practices.

ISO 27001 Audit Certificate

bsi.

By Royal Charter

Certificate of Registration

INFORMATION SECURITY MANAGEMENT SYSTEM - ISO/IEC 27001:2013

This is to certify that: Turkiye Sinai Kalkinma Bankasi A.S.
Meclisi Mebusan Cad. 81 Findikli
Beyoglu 34427
Istanbul (Euro Side)
Turkey

Holds Certificate No: **IS 748549**

and operates an Information Security Management System which complies with the requirements of ISO/IEC 27001:2013 for the following scope:

IT governance, IT security, IT Software development, IT infrastructure of System Support and Operations, Application development Departments, Information Security and Quality, Database Management units required for operating the bank operations of TSKB.
This is in accordance with Statement of Applicability, 9143, ver: 5, dated 18.04.2024.

For and on behalf of BSI: Theuns Kotze, Managing Director Assurance - IMETA

Original Registration Date: 2021-06-15
Latest Revision Date: 2024-06-07

Effective Date: 2024-06-15
Expiry Date: 2025-10-31

Page: 1 of 2

...making excellence a habit.™

This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract.
An electronic certificate can be authenticated online.
Printed copies can be validated at www.bsi-global.com/ClientDirectory or telephone +91 11 2692 9000.
Further clarifications regarding the scope of this certificate and the applicability of ISO/IEC 27001:2013 requirements may be obtained by consulting the organization.
This certificate is valid only if provided original copies are in complete set.

Information and Contact: BSI, Kitemark Court, Davy Avenue, Knowlhill, Milton Keynes MK5 8PP. Tel: + 44 345 080 9000
BSI Assurance UK Limited, registered in England under number 7805321 at 389 Chiswick High Road, London W4 4AL, UK.
A Member of the BSI Group of Companies.

ISO 45001 Audit Certificate

ISO 45001:2018

Kapsam/Scope

KALKINMA VE YATIRIM BANKACILIĞI HİZMETLERİ

DEVELOPMENT AND INVESTING BANKING SERVICES

SERTİFİKA
CERTIFICATE

TÜRKİYE SINAİ KALKINMA BANKASI

ÖMER AVNİ MAHALLESİ MECLİSİ MEBUSAN CADDESİ NO: 81 FINDIKLI BEYOĞLU/İSTANBUL/TÜRKİYE

This is to certify that the above mentioned Company meets the requirement of Occupational Health & Safety Management System.

IAF K. - Kategori - Teknik Alan / IAF C. - Category -Technical Area	32
Uygulanabilirlik Bildirgesi / SOA	–
Sertifika No / Certification Number	03.21.9397.0317.T
İlk Kayıt Tarihi / Registration Date	13.07.2021
Basım Tarihi / Issue Date	12.08.2024
Geçerlilik Tarihi / Expiry Date	12.07.2025
Belgelendirme Periyodu / Certification Period	3 yıl / 3 years
Revizyon / Revision	003

Sigmacert Global
Onay / Approval
Ankara

- This certificate is valid until the end of the three-years certification period if the organization complies with the certification requirements and the surveillance audits to be carried out at least once a year are completed successfully.
- The validity of the certificate can be checked on the our official website.

SİGMACERT GLOBAL GÖZETİM BELGELENDİRME EĞİTİM A.Ş.

TÜRKAK

APPENDICES

TSRS 1 and 2 Index

	Relevant Item	Relevant Section
General		
Sustainability-related Financial Disclosures	TSRS S1.22	**Financial Capital** Impact of Sustainability-related Risks and Opportunities on Financial Capital **Natural Capital** Portfolio Physical Risks and Opportunities Portfolio Transition Risks and Opportunities
Governance		
Sustainability Committee	TSRS S1.27.a TSRS S2.6.a	**Governance Model**
Sustainability Management Committee	TSRS S1.27.b TSRS S2.6.b	**Governance Model**
Strategy		
Sustainability-related Risks and Opportunities	TSRS S1.29 TSRS S1.30 TSRS S1.32	**High Priority Topics and Oversight Mechanisms** **Financial Capital** Impact of Sustainability-related Risks and Opportunities on Financial Capital
Climate-related Risks and Opportunities	TSRS S2.9.a	**Natural Capital** Climate-related Risks and Opportunities Climate Risks Table Climate Opportunities Table
Risk and Opportunity Definitions	TSRS S2.10.a	**Natural Capital** Climate-related Risks and Opportunities Physical Risks Transition Risks
Physical & Transition Risks	TSRS S2.10.b	**Natural Capital** Climate-related Risks and Opportunities Climate Risks Table Climate Opportunities Table

TSRS 1 and 2 Index

	Relevant Item	Relevant Section
Time Horizons	TSRS S2.10.c	**Natural Capital** Climate-related Risks and Opportunities Climate Risks Table Climate Opportunities Table
Term Descriptions	TSRS S2.10.d	**Natural Capital** Climate-related Risks and Opportunities Term Description Table
Sector-specific Guidance (Volume 16)	TSRS S2.12	**Financial Capital** Loan Allocation, Management, and Monitoring Activities **Appendices** **SASB Index**
Impact on Business Model and Value Chain	TSRS S2.9.b	**Natural Capital** Climate-related Risks and Opportunities Climate Risks Table Climate Opportunities Table Climate Resilience Portfolio Physical Risks and Opportunities Portfolio Transition Risks and Opportunities
Description of Current and Expected Impacts	TSRS S2.13.a	**Natural Capital** Climate-related Risks and Opportunities Climate Risks Table Climate Opportunities Table Climate Resilience Portfolio Physical Risks and Opportunities Portfolio Transition Risks and Opportunities

	Relevant Item	Relevant Section
Risk and Opportunity Concentration	TSRS S2.13.b	**Natural Capital** Climate-related Risks and Opportunities Climate Risks Table Climate Opportunities Table Climate Resilience Portfolio Physical Risks and Opportunities Portfolio Transition Risks and Opportunities
Climate-related Transition Plan, Strategy, and Decision Making	TSRS S2.9.c	**Natural Capital** Climate-related Risks and Opportunities Climate Risks Table Climate Opportunities Table Climate Resilience Portfolio Physical Risks and Opportunities Portfolio Transition Risks and Opportunities
Responses/Actions Taken for Risks and Opportunities	TSRS S1.33.a TSRS S2.14.a	**Natural Capital** Impact of Sustainability-related Risks and Opportunities on Financial Capital Climate Resilience Metrics and Targets within the Scope of TSKB Loan and Investment Portfolio
Resources Provided and Planned	TSRS S2.14.b	**Natural Capital** 2024 Targets and Realization Climate Resilience Metrics and Targets within the Scope of TSKB Loan and Investment Portfolio
Progress Towards Plans	TSRS S1.33.b TSRS S2.14.c	**Natural Capital** 2024 Targets and Realization Climate Resilience Metrics and Targets within the Scope of TSKB Loan and Investment Portfolio

TSRS 1 and 2 Index

	Relevant Item	Relevant Section
Impact of Climate Risks on Financial Performance	TSRS S2.9.d	**Natural Capital** Climate Resilience Portfolio Physical Risks and Opportunities Portfolio Transition Risks and Opportunities
Current Financial Impacts	TSRS S2.15.a	**Natural Capital** Climate Resilience Portfolio Physical Risks and Opportunities Portfolio Transition Risks and Opportunities
Expected Impacts	TSRS S2.15.b	**Natural Capital** Climate Resilience Portfolio Physical Risks and Opportunities Portfolio Transition Risks and Opportunities
Climate Resilience	TSRS S1.41 TSRS S2.9.e	**Natural Capital** Climate Resilience Portfolio Physical Risks and Opportunities Portfolio Transition Risks and Opportunities
Quantitative and Qualitative Information on Sustainability and Climate	TSRS S1.35 TSRS S2.16	**Natural Capital** Climate Resilience Portfolio Physical Risks and Opportunities Portfolio Transition Risks and Opportunities
Scenario Analyses	TSRS S2.22	**Natural Capital** Climate Resilience Portfolio Physical Risks and Opportunities Portfolio Transition Risks and Opportunities

	Relevant Item	Relevant Section
Risk Management		
Sustainability-related Risk and Opportunity Management Processes and Policies	TSRS S1.43 TSRS S1.44	**Natural Capital** Management of Environmental, Social, and Climate-Related Risks, Opportunities, and Impacts in Lending Activities Environmental and Social Risk Evaluation Tool (ERET)
Climate-related Risk Management Processes and Policies	TSRS S2.25.a	**Natural Capital** Climate-related Risks and Opportunities Climate Resilience Portfolio Transition Risks and Opportunities Portfolio Physical Risks and Opportunities Risk Management Climate Risk Evaluation Tool (CRET) Heat Map
Climate-related Opportunity Management Processes and Policies	TSRS S2.25.b	**Natural Capital** Climate-related Risks and Opportunities Climate Resilience Portfolio Transition Risks and Opportunities Portfolio Physical Risks and Opportunities Opportunity Management
Integration into General Risk Management Processes	TSRS S2.25.c	**Natural Capital** Climate-related Risks and Opportunities Climate Resilience Portfolio Transition Risks and Opportunities Portfolio Physical Risks and Opportunities Risk Management Opportunity Management Environmental and Social Risk Evaluation Tool (ERET) Climate Risk Evaluation Tool (CRET) Heat Map

TSRS 1 and 2 Index

	Relevant Item	Relevant Section
Metrics and Targets		
Climate-related Metrics	TSRS S2.29	
Greenhouse Gas Emissions	TSRS S2.29.a	**Natural Capital** Greenhouse Gas Emission Management
Climate-related Transition Risks	TSRS S2.29.b	**Natural Capital** Transition Risks Heat Map
Climate-related Physical Risks	TSRS S2.29.c	**Natural Capital** Physical Risks Heat Map
Climate-related Opportunities	TSRS S2.29.d	**Natural Capital** Portfolio Transition Risks and Opportunities Portfolio Physical Risks and Opportunities
Capital Allocation	TSRS S2.29.e	**Natural Capital** Portfolio Transition Risks and Opportunities Portfolio Physical Risks and Opportunities Financial Capital Impact of Sustainability-related Risks and Opportunities on Financial Capital
Internal Carbon Pricing	TSRS S2.29.f	**Natural Capital** Climate Risk Evaluation Tool (CRET) CRET Transition Risks
Remunaration	TSRS S2.29.g	**Sustainability Governance**
Sustainability-related Targets	TSRS S1.51	**Financial Capital** **Targets**
Climate-related Targets	TSRS S2.33 TSRS S2.34 TSRS S2.35 TSRS S2.36 TSRS S2.37	**Natural Capital** Targets Metrics and Targets within the Scope of Direct Impacts Metrics and Targets within the Scope of TSKB Loan and Investment Portfolio

SASB Index

Topic*	Code	Relevant Section
Data Security	FN-CB-230a.1	Intellectual and Manafactured Capital
	FN-CB-230a.2	
Financial Inclusion & Capacity Building	FN-CB-240a.1	Financial Capital
	FN-CB-240a.2	
	FN-CB-240a.3	
	FN-CB-240a.4	
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.2	Financial Capital Natural Capital Social Capital
Financed Emissions	FN-CB-410b.1	Natural Capital
	FN-CB-410b.2	
	FN-CB-410b.3	
	FN-CB-410b.4	
Business Ethics	FN-CB-510a.1	Governance Corporate Governance and Risk Management
	FN-CB-510a.2	
Systemic Risk Management	FN-CB-550a.1	
	FN-CB-550a.2	Corporate Governance and Risk Management

*Topics not directly related to TSKB's value creation model have not been included in the table

TPT Index

Ambition	Action	
1. Foundations	**2. Implementation Strategy**	**3. Engagement Strategy**
1.1 Strategic Ambition **Strategic Plan** **Financial Capital** 2024's Highlights **Natural Capital** Strategy Climate Resilience Management of Environmental, Social, and Climate-Related Risks, Opportunities, and Impacts in Lending Activities	2.1 Business Operations **Financial Capital** 2024's Highlights **Natural Capital** Strategy	3.1 Engagement with Value Chain **Sustainability Governance**
1.2 Business Model and Value Chain **Financial Capital** Impact of Sustainability-related Risks and Opportunities on Financial Capital **Natural Capital** Climate-related Risks and Opportunities Climate Resilience	2.2 Products and Services **Financial Capital**	3.2 Engagement with Industry **Sustainability Governance**
1.3 Key Assumptions and External Factors **Natural Capital** Climate-related Risks and Opportunities Climate Resilience	2.3 Policies and Conditions **Sustainability Governance**	3.3 Engagement with Government, Public Sector and Civil Society **Sustainability Governance**
	2.4. Financial Planning **Financial Capital** Climate-related Risk and Opportunity Management Impact of Sustainability-related Risks and Opportunities on Financial Capital **Natural Capital** Climate Resilience	

Accountability

4. Metrics & Targets	5. Governance
4.1 Governance, Engagement, Business and Operational Metrics and Targets **Financial Capital** Targets **Natural Capital** Targets	5.1 Board Oversight and Reporting **Sustainability Governance**
4.2 Financial Metrics and Targets **Financial Capital** Targets **Natural Capital** Targets	5.2 Management Roles, Responsibility and Accountability **Sustainability Governance**
4.3 GHG Metrics and Targets **Natural Capital** Metrics and Targets	5.3 Culture **Sustainability Governance**
4.4 Carbon Credits **Natural Capital** Strategy Metrcis and Targets	5.4 Incentives and Remuneration **Sustainability Governance**
	5.5 Skills, Competencies and Training **Sustainability Governance**

UNEP-FI Index
Responsible Banking Progress Statement

Principle 1: Alignment

The core framework of TSKB's sustainability management system is established by the Sustainability Policy, first published in 2012 and updated over time to reflect developments and stakeholder expectations. Additionally, ten different policies developed and implemented in the areas of environmental, social, and governance focus provide further details on TSKB's sustainability management principles. Among these complementary policies, the Environmental and Social Impact Management Policy includes the List of Activities Not Financed in line with responsible banking principles. Sustainability, which is a key component of TSKB's strategy, is incorporated in the strategic plan of the reporting period, with a focus on sustainable development, combating climate change, and adaptation themes, alongside national and international developments such as the Carbon Border Adjustment Mechanism (CBAM) and the Emissions Trading System (ETS).

References

Integrated Annual Report | Sustainability Governance

Principle 2: Impact & Target Setting

TSKB has conducted impact analysis studies using the updated Portfolio Impact Analysis Tool for Banks, based on the 2023 year-end portfolio. The tool was applied to Corporate Banking (Corporate Banking and Project Finance), which constitutes 67.4% of total assets as of the end of 2023, one of the bank's three main activities. According to the analysis results, areas where positive impacts were made include Climate Stability and Healthy Economies, while Circular Economy was identified as an area with negative impact.

Healthy Economies & Climate Stability*
- SDG-linked Loan Ratio: 92%
- Realization Rate of the USD 10 billion SDG-linked Loan Disbursement Target: 52%

Climate Stability*
- SDG-linked Loan Ratio Focused on Climate and Environment: 58%
- Realization Rate of the USD 4 billion Climate and Environment-focused SDG-linked Loan Disbursement Target: 18%

Healthy Economies*
- Realization Rate of the Reconstruction Financing Target for Earthquake Impact: 80%

Circular Economy*
- Circularity Self-Assessment Tool Implementation Target: 22 companies

References

Integrated Annual Report | Financial Capital

Principle 3: Clients & Customers

In 2024, TSKB increased its SDG-linked loan ratio to 92% through the financing of inclusive and strategic development areas such as climate and earthquake financing, renewable energy, energy and resource efficiency, capacity expansion in the manufacturing sector, and new technology investments, as well as promoting women's employment.

The Circular Economy Self-Assessment Tool, developed by the Bank, consists of 11 main headings and enables the Bank's clients to analyze circular economy practices from strategy and collaborations to product design processes, manufacturing, distribution, and supply chain management in a multifaceted way. Since 2023, the Bank has applied this tool to 10 clients from 8 sectors, who have developed action plans.

- 52% of the target for SDG-linked loan disbursement, amounting to USD 10 billion by 2030, has been achieved.
- The performance of clients who applied the Circularity Self-Assessment Tool has improved by 25% as a result of the action plans established.

References

Integrated Annual Report | Financial Capital

*The targets under the relevant areas will continue to be monitored under the UN PRB framework in the upcoming period.

Principle 4:
Stakeholders

In 2024, TSKB updated its materiality analysis with the participation of internal and external stakeholders. For the first time, a Stakeholder Workshop was held face-to-face based on the double materiality principle, during which a risk and opportunity impact analysis was conducted within the scope of priority issues.

The Bank, which plays an active role in many national and international initiatives, is focused on capacity development while also evaluating collaboration opportunities.

In close contact with relevant ministries and other public institutions, the Bank participated in discussions under the co-chair responsibility of the Turkish Banking Association Sustainability Working Group and engaged with stakeholders in the development of the National Taxonomy under the coordination of the Ministry of Environment, Urbanization and Climate Change of the Republic of Türkiye.

References

Integrated Annual Report | Sustainability Governance

Principle 5:
Governance & Culture

Compliance with the Principles of Responsible Banking is overseen by the Sustainability Committee within the Bank's sustainability structure. The committee members are selected based on their academic and professional qualifications, enabling them to develop and supervise strategies for managing sustainability-related risks and opportunities, with a particular focus on climate. During the reporting period, the committee carried out review, auditing, and approval activities concerning policy revisions, long-term targets, commitments, and recorded performance, under the Integrated Annual Report and the Climate Report.

- Sustainability-related targets constitute 36% of the total targets set for the entire Bank, including senior management.

References

Integrated Annual Report | Sustainability Governance

Principle 6:
Transparency & Accountability

Since 2018, TSKB has published its Integrated Annual Report, which this year has been prepared in full compliance with the Türkiye Sustainability Reporting Standards (TSRS), which were enacted for the first time with the adoption of the IFRS S1 and S2 Standards issued by the ISSB. In addition to the independent limited assurance provided under the TSRS, limited assurance has also been obtained for the target achievements and KPIs reported under different capital.

In 2024, the Bank published its second Climate Report and has continued its CDP reporting since 2013.

References

Integrated Annual Report | Compliance Opinions
Climate Report
CDP Report

GRI Content Index

CONTENT INDEX ESSENTIALS SERVICE 2025

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the Turkish version of the Report.

Statement of Use	Türkiye Sınai Kalkınma Bankası A.Ş. has reported the information cited in this GRI content index for the period 1 January 2024-31 December 2024 in accordance with the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021
Sector Standard	N/A

GRI STANDARD	DISCLOSURE	LOCATION/DIRECT ANSWER
GRI 2: General Disclosures 2021	2-1 Organizational details	Corporate Profile, Page: 6-7 Contact, Page: 256
	2-2 Entities included in the organization's sustainability reporting	About the Report, Page: 2-3
	2-3 Reporting period, frequency and contact point	About the Report, Page: 2-3 Contact, Page: 256
	2-4 Restatements of information	There is no restated information.
	2-5 External assurance	About the Report, Page: 2-3 Independent Auditor's Report and Limited Assurance Report, Page: 205-207, 208-211
	2-6 Activities, value chain and other business relationships	About the Report, Page: 2-3 Value Creation Model, Page: 8-9
	2-7 Employees	Corporate Profile, Page: 6-7 Human Capital, Page: 156-167
	2-8 Workers who are not employees	Corporate Profile, Page: 6-7
	2-9 Governance structure and composition	Governance Model, Page: 52-54
	2-10 Nomination and selection of the highest governance body	Governance Model, Page: 52-54 Corporate Governance Compliance Report, Page: 191-192
	2-11 Chair of the highest governance body	Governance Model, Page: 52-54 Board of Directors, Page: 181
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance Model, Page: 52-54
	2-13 Delegation of responsibility for managing impacts	Governance Model, Page: 52-54
	2-14 Role of the highest governance body in sustainability reporting	Governance Model, Page: 54-58
	2-15 Conflicts of interest	Corporate Governance Compliance Report, Page: 189-192
	2-16 Communication of critical concerns	Stakeholder Engagement and Double Materiality Analysis, Page: 38-51
	2-17 Collective knowledge of the highest governance body	Governance Model, Page: 52-54 Board of Directors, Page: 181
	2-18 Evaluation of the performance of the highest governance body	Governance Model, Page: 52-54 Corporate Governance Compliance Report, Page: 189-192

GRI STANDARD	DISCLOSURE	LOCATION/DIRECT ANSWER
GRI 2: General Disclosures 2021	2-19 Remuneration policies	Governance Model, Page: 52-54 Human Capital, Page: 164 Corporate Governance Compliance Report, Page: 192
	2-20 Process to determine remuneration	Human Capital, Page: 164 Corporate Governance Compliance Report, Page: 192
	2-21 Annual total compensation ratio	Corporate Governance Compliance Report, Page: 192
	2-22 Statement on sustainable development strategy	TSKB's Strategic Plan, Page: 26-27 External Factors, Page: 28-36 Financial Capital, Page: 66-93 Natural Capital, Page: 94-141
	2-23 Policy commitments	Governance Model, Page: 52-54 TSKB's Signed Declarations and Principles, Page: 60-62 https://www.tskb.com.tr/en/services/sustainable-banking/our-policy/tskb-sustainability-policy
	2-24 Embedding policy commitments	Governance Model, Page: 52-54
	2-25 Processes to remediate negative impacts	TSKB's Strategic Plan, Page: 26-27 Strategy, Performance and Insights, Page: 26-168 Governance Model, Page: 52-54 Natural Capital, Page: 94-141
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Engagement and Double Materiality Analysis, Page: 38-51
	2-27 Compliance with laws and regulations	Governance Model, Page: 52-54
	2-28 Membership associations	Governance Model, Page: 60-62
	2-29 Approach to stakeholder engagement	Stakeholder Engagement and Double Materiality Analysis, Page: 38-51
	2-30 Collective bargaining agreements	TSKB accepts the principles of international conventions to which our country is a party and accepted, such as the Universal Declaration of Human Rights, the International Labor Organization (ILO) Basic Principles and Rights at Work, the UN Sustainable Development Goals and the United Nations Convention against Corruption, and all activities are based on human rights, in accordance with basic principles such as labor rights and social justice. As of the end of 2024, there is no Collective Bargaining Agreement at TSKB.

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION/DIRECT ANSWER
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Governance Model, Page: 52-54 Stakeholder Engagement and Double Materiality Analysis, Page: 38-51
	3-2 List of material topics	Double Materiality Results-Matrix Representation, Page: 39
Sustainable Financial Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Value Creation Model, Page: 8-9 Key Financial Performance Indicators and Ratios, Page: 10-11 Message from the Chairperson, Page: 12-15 Message from the CEO, Page: 16-19 Stakeholder Engagement and Double Materiality Analysis, Page: 38-51 Financial Capital, Page: 66-93 Natural Capital, Page: 94-141 Social Capital, Page: 142-155 Human Capital, Page: 156-167
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Value Creation Model, Page: 8-9 Key Financial Performance Indicators and Ratios, Page: 10-11 Financial Capital, Page: 66-93
	201-3 Defined benefit plan obligations and other retirement plans	Unconsolidated Statements and Independent Audit Report, Page: 397-398 Consolidated Statements and Independent Audit Report, Page: 566-568
	201-4 Financial assistance received from government	No financial aid has been received from the government during the reporting period.
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	At TSKB, the standard starting level wages of all employees are above the local minimum wage. Human Capital, Page: 156-167
	202-2 Proportion of senior management hired from the local community	All members of TSKB Senior Management are Turkish citizens. Board of Directors, Page: 181-184 Senior Management, Page: 185-187 Directors, Page: 188
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Financial Capital, Page: 66-93 Natural Capital, Page: 94-141
	203-2 Significant indirect economic impacts	Value Creation Model, Page: 8-9 Financial Capital, Page: 66-93 Natural Capital, Page: 94-141 Intellectual and Manufactured Capital, Page: 168-179

GRI STANDARD	DISCLOSURE	LOCATION/DIRECT ANSWER
Ethics, Legal Compliance, and Anti-Corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Page: 38-51 Corporate Governance Compliance Report, Page: 189-192 https://www.tskb.com.tr/en/services/sustainable-banking/our-policy/tskb-anti-bribery-and-anti-corruption-policy
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	TSKB Anti-Bribery and Anti-Corruption Policy: https://www.tskb.com.tr/en/services/sustainable-banking/our-policy/tskb-anti-bribery-and-anti-corruption-policy
Competitive Behavior		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Page: 38-51 Corporate Governance Compliance Report, Page: 189-192
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Corporate Governance Compliance Report, Page: 189-192 Other Major Updates on Corporate Operations, Page: 195
Management of Climate Risks and Opportunities		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Page: 38-51 Natural Capital, Page: 94-141
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Natural Capital, Page: 94-141
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Natural Capital, Page: 94-141
	302-3 Energy intensity	Natural Capital, Page: 94-141
	302-4 Reduction of energy consumption	Natural Capital, Page: 94-141
GRI 303: Water and Effluents 2018	303-5 Water consumption	Natural Capital, Page: 94-141
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Natural Capital, Page: 94-141
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital, Page: 94-141
	305-3 Other indirect (Scope 3) GHG emissions	Natural Capital, Page: 94-141
	305-5 Reduction of GHG emissions	Natural Capital, Page: 94-141
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Natural Capital, Page: 94-141

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION/DIRECT ANSWER
Protection of Nature and Biodiversity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Page: 38-51 Natural Capital, Page: 94-141
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Stakeholder Engagement and Double Materiality Analysis, Page: 38-51 Natural Capital, Page: 94-141
Responsible Procurement and Supply Chain		
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Capital, Page: 142-155 https://www.tskb.com.tr/en/services/sustainable-banking/our-policy/tskb-sustainable-procurements-management-policy
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Social Capital, Page: 142-155 https://www.tskb.com.tr/en/services/sustainable-banking/our-policy/tskb-sustainable-procurements-management-policy
Competent Human Capital		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Page: 38-51 Human Capital, Page: 156-167
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital, Page: 156-167
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital, Page: 156-167 All employees at TSKB are full-time employees.
	401-3 Parental leave	Human Capital, Page: 156-167
Employee Engagement and Employee/Human Rights		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Page: 38-51 Human Capital, Page: 156-167 https://www.tskb.com.tr/en/services/sustainable-banking/our-policy/tskb-occupational-health-and-safety-policy

GRI STANDARD	DISCLOSURE	LOCATION/DIRECT ANSWER
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital, Page: 156-167 TSKB ensures full compliance with its ISO 45001 Occupational Health and Safety Management System standards. https://www.tskb.com.tr/en/services/sustainable-banking/our-policy/tskb-occupational-health-and-safety-policy
	403-2 Hazard identification, risk assessment, and incident investigation	There were no injuries, accidents, occupational diseases and work-related deaths during the reporting period.
	403-3 Occupational health services	Due to the nature of TSKB's activities, there is no risk of work accident or occupational disease.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital, Page: 156-167
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital, Page: 156-167
Inclusiveness, Equal Opportunity, and Diversity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Page: 38-51 Human Capital, Page: 156-167 https://www.tskb.com.tr/en/services/sustainable-banking/our-policy/tskb-human-rights-policy
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital, Page: 156-167 Board of Directors, Page: 181-184 Senior Management, Page: 185-187
	405-2 Ratio of basic salary and remuneration of women to men	Human Capital, Page: 156-167 At TSKB, there is no gender-based discrimination for employee wages. As of the end of 2024, the gender wage gap is 0.05.
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no cases of discrimination during the reporting period.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	TSKB respects the rights of association and collective bargaining. During the reporting period, to the knowledge of TSKB, there was no violation of union rights by any supplier.

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION/DIRECT ANSWER
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	TSKB does not employ child labor under any circumstances. TSKB expects its suppliers to comply with the age provisions specified in the relevant laws and regulations.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	At TSKB, there are no activities determined to pose a significant risk in terms of forced or involuntary labor. TSKB expects its suppliers not to employ forced labor under any circumstances. https://www.tskb.com.tr/en/services/sustainable-banking/our-policy/tskb-sustainable-procurements-management-policy
Cyber Security and Data Protection		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Page: 38-51 Intellectual and Manufactured Capital, Page: 168-179 https://www.tskb.com.tr/en/investor-relations/corporate-governance
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There are no complaints about breach of customer privacy and loss of customer data.
Digital Transformation and Agility		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Page: 38-51 Intellectual and Manufactured Capital, Page: 168-179
Environmental and Social Impact Monitoring and Reporting		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Page: 38-51 Natural Capital, Page: 94-141 Social Capital, Page: 142-155
Effective Risk Management		

GRI STANDARD	DISCLOSURE	LOCATION/DIRECT ANSWER
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Page: 38-51 Risk Management Policies, Page: 196-197
Innovation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Page: 38-51 Intellectual and Manufactured Capital, Page: 168-179
Customer Experience		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Page: 38-51 Intellectual and Manufactured Capital, Page: 168-179 https://www.tskb.com.tr/en/investor-relations/corporate-governance
Stakeholder Capitalism and International Cooperation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Page: 38-51 Governance Model, Page: 52-63 WEF Stakeholder Capitalism Index, Page: 250-251
Supporting the UN SDGs		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Page: 38-51
Corporate Social Responsibility		
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Engagement and Double Materiality Analysis, Page: 38-51 Social Capital, Page: 142-155

UNGC Index

UN Global Compact 10 Principles		
Area	**Principle**	**Relevant Section**
Human Rights	Principle 1	Social Capital Human Capital
	Principle 2	
Labour	Principle 3	
	Principle 4	
	Principle 5	
	Principle 6	
Environment	Principle 7	Financial Capital Natural Capital
	Principle 8	
	Principle 9	
Anti-Corruption	Principle 10	Corporate Governance and Risk Management

WEPs Index

Women's Empowerment Principles (WEPs)	
Principle	**Relevant Section**
Principle 1	Governance Social Capital Human Capital
Principle 2	
Principle 3	
Principle 4	
Principle 5	
Principle 6	
Principle 7	

WEF Stakeholder Capitalism Index*

	Topics	Core Metrics and Disclosures	Relevant Disclosures
People	Dignity and Equality	Diversity and inclusion	Social Capital Human Capital
		Pay equality	Human Capital
		Wage level	Human Capital
		Risk for incidents of child, forced or compulsory labour	TSKB operates in accordance with Turkish laws. Therefore, there is no risk of child labor, forced labor, or compulsory labor
		Discrimination and Harassment	Social Capital Human Capital
		Freedom of Association and Collective Bargaining at Risk	Human Capital
		Human rights review, grievance impact and modern slavery	Social Capital Human Capital
		Pay gap	Human Capital
	Health & Wellbeing	Health and Safety	Human Capital
		Well-Being	Human Capital
		Monetized Impacts of Work-related Incidents on Organization	Human Capital
	Skills for the Future	Training provided	Sustainability Governance Human Capital
		Monetized Impacts of Training	Human Capital
Planet	Air Pollution	Air Pollution	Natural Capital
		Impact of air pollution	Natural Capital
	Climate Change	Greenhouse Gas (GHG) emissions	Natural Capital
		TCFD implementation	Natural Capital
		Paris-aligned GHG emissions targets	Natural Capital
		Impact of Greenhouse gas emissions	Natural Capital
	Fresh Water Availability	Water consumption and withdrawal in water-stressed areas	Natural Capital
		Impact of freshwater consumption and withdrawal	Natural Capital
	Nature Loss	Land use and ecological sensitivity	Financial Capital Natural Capital
		Impact of land use and conversion	Natural Capital
	Resource Availability	Resource circularity	Natural Capital
	Solid Waste	Single use plastics	Natural Capital
		Impact of solid waste disposal	Natural Capital
	Water Pollution	Impact of water pollution	Natural Capital

	Topics	Core Metrics and Disclosures	Relevant Disclosures
Prosperity	Community and Social Vitality	Total tax paid	Financial Statements and Footnotes
		Additional tax remitted	Financial Statements and Footnotes
		Total social investment	Social Capital Financial Statements and Footnotes
	Employment and Wealth Generation	Absolute number and rate of employment	Human Capital
		Economic Contribution	Financial Capital Social Capital Human Capital
		Significant indirect economic impacts	Financial Capital Natural Capital Social Capital Financial Statements and Footnotes
		Infrastructure investments and services supported	Financial Capital Natural Capital Social Capital Financial Statements and Footnotes
	Innovation in Better Products and Services	Total R&D expenses	Intellectual and Manufactured Capital Financial Statements and Footnotes
		Social value generated	Intellectual and Manufactured Capital Social Capital
	Wealth Creation and Employment	Financial investment contribution disclosure	Financial Capital
Governance	Ethical Behaviour	Anti-corruption	Governance Model Human Capital Corporate Governance Compliance Report
		Protected ethics advice and reporting mechanisms	Human Capital Corporate Governance Compliance Report
	Governing Purpose	Setting purpose	Governance Model
		Purpose-led management	Governance Model
	Quality of Governing Body	Governance body composition	Governance Model
		Remuneration	Governance Model Human Capital Corporate Governance Compliance Report
		Progress against strategic milestones	Strategy, Performance and Insights
	Risk and Opportunity Oversight	Integrating risk and opportunity into business process	Financial Capital Risk Management Policies
		Economic, environmental, and social topics in capital allocation framework	Financial Capital Natural Capital Social Capital Risk Management Policies
	Stakeholder Engagement	Material issues impacting stakeholders	Governance Model Stakeholder Engagement and Materiality Analysis

*In addition to the 21 core metrics in the index, 27 expanded metrics that are reported are also included in the table.

General Assembly Agenda

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

ORDINARY GENERAL ASSEMBLY MEETING DATED 24.03.2025
AGENDA

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,

2. Review and discussion of the Annual Reports of the Board of Directors and Independent Auditor Reports regarding the accounts and transactions of the Bank within the year of 2024,

3. Review, discussion and approval of the balance sheet and profit and loss statements of the Bank for the year of 2024,

4. Approval of the appointment of the members of the Board of Directors substituting the members leaving their post until the General Assembly

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

6. Adoption of a resolution regarding the determination and allotment of the 2024 profit to be distributed,

7. Determination of allowance for the Members of the Board of Directors,

8. Election of the Independent Audit Firm,

9. Presentation of the information regarding donations made within the year 2024 and determination of the upper limit for donations to be made within the year 2025,

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

11. Presenting information regarding the transactions within the scope of Article 1.3.6. of the Corporate Governance Principles of the Capital Markets Board,

12. Presenting information regarding our Bank's sustainability activities in 2024 regarding our Bank's climate transition plan and goals in accordance with sustainable development purposes, and information regarding future plans.

Declaration of Independence

To the Board of Türkiye Sınai Kalkınma Bankası A.Ş.;

On the ground that I am a candidate for the independent membership of the Bank on the General Assembly Meeting on March 28, 2024,

a) There is no employment relationship in executive positions to assume material roles and responsibilities for the past five years between the Company, Subsidiaries where the Company holds control or significant power over management, or Partners that hold significant power in the Company and the legal entities where such Partners hold control over management, and me, my wife, and up to second-degree relatives by kinship and marriage; that no capital or voting rights or privileged shares more than 5% were held collectively or individually or no material trade relations were established;

b) In the last five years; I haven't been a shareholder (5% and above), an executive, or a member of the board of directors to assume important duties and responsibilities in the companies which the Bank buys or sells services or products to a great extent within the framework of the agreements made, particularly the Bank's audit (including tax audit, statutory audit, internal audit), its rating and consultancy, in the periods when the service or product is purchased or sold;

c) That I have ample vocational education, knowledge and experience to properly perform duties I'll undertake as can be reasonably expected from an independent Board of Directors Member;

d) That I am not employed by public sector organizations as a fulltime employee as of the date I was nominated to Independent Board of Directors Member and that –in the event I am elected, I will not work as a fulltime employee in public sector organizations throughout the term of my office as Independent Board of Directors Member;

e) I am considered a resident in Türkiye according to Income Tax Law, dated 31/12/1960 and numbered 193,

f) I have strong ethical standards, professional reputation and experience to make a positive contribution to the operations of the Bank, to keep my impartiality in conflicts of interest to arise between the Bank and shareholders, and to make decisions freely by taking into account the rights of stakeholders;

g) I will devote time for the works of the Bank to the extent that I can follow the functioning of the Bank's operations and fully satisfy the requirements of the duties I assumed;

h) I have not acted as an Independent Board Member for more than six years within the last ten years in the Board of Directors of the Bank;

i) I am not an independent member in the Bank or in more than three companies where the shareholders with management control over the Bank hold management

j) control and in more than a total of five publicly traded companies;

k) I am not registered and announced on behalf of the legal person elected as a member of the Board of Directors; and therefore, I will serve as an Independent Member.

Respectfully,

Mehmet Sefa Pamuksuz
Board Member

Statement of Responsibility

27 February 2025

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

STATEMENT OF RESPONSIBILITY FOR THE INTEGRATED ANNUAL REPORT 2024

Prepared in accordance with the Communique on Principles of Financial Reporting in Capital Markets (II-14.1) issued by the Capital Markets Board; TSKB Annual Integrated Report for the period 01.01.2024 - 31.12.2024

comprising financial and non-financial information, key performance indicators and targets; Corporate Governance Compliance Report, Corporate Governance Information Forms and disclosures made pursuant to Sustainability Principles Compliance Framework have been reviewed by us. In this context, we confirm and state that;

- Within the framework of our duties and responsibilities in the Bank and the information we have, the Report does not include any untrue statement on material events or any deficiency which may make them misleading as of the date of statement,
- As of the reporting period, financial statements and other financial information in the Report honestly reflect the progress and the performance of the business and the financial position of the Bank together with the significant risks and the uncertainties faced,
- Non-financial information, targets and key performance indicators do not include any untrue statement,
- Corporate Governance Compliance Report, Corporate Governance Information Form and Sustainability Principles Compliance Framework do not include any deficiency or any untrue statement.

Sincerely,
TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

Audit Committee Chairperson İzlem Erdem	Audit Committee Member Banu Altun	Executive Vice President Responsible for Financial Reporting Tolga Sert	Executive Vice President Responsible for Investor Relations Meral Murathan

FINANCIAL STATEMENTS

Independent Auditor's Audit Report, Unconsolidated Financial Statements and Notes for the Year Ended December 31, 2024

INDEPENDENT AUDITOR'S REPORT

CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH
(See Note I of Section Three)

To the General Assembly of Türkiye Sınai Kalkınma Bankası Anonim Şirketi

A. Audit of the Unconsolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying unconsolidated financial statements of Türkiye Sınai Kalkınma Bankası Anonim Şirketi ("the Bank"), which comprise the statement of unconsolidated balance sheet as at 31 December 2024, unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the year then ended, and the notes to the unconsolidated financial statements and a summary of significant accounting policies and unconsolidated financial statement notes.

In our opinion, except for the effect of the matter on the unconsolidated financial statements described in the basis for the qualified opinion section below, the unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Bank as at 31 December 2024, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

2. Basis for Qualified Opinion

As explained in Section Five Part II 7.c.1 of Explanations and Notes to the unconsolidated Financial Statements; the accompanying unconsolidated financial statements as at 31 December 2024 include a free provision amounting to TL 2,050,000 thousand, which consists of TL 1,750,000 thousand provided in prior years and TL 300,000 thousand provided in the current period , by the Bank management, outside of the requirements of BRSA Accounting and Financial Reporting Legislation. Had this provision not been accounted for, other provisions would have been decreased by TL 2,050,000 thousand, net profit and equity would have increased by TL 300,000 thousand and TL 2,050,000 thousand, respectively as at 31 December 2024.

Our audit was conducted in accordance with the "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No. 29314 dated 2 April 2015 and the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements" section of our report. We hereby declare that we are independent of the Bank in accordance with the Ethical Rules for Independent Auditors (Including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the unconsolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our qualified opinion.

INDEPENDENT AUDITOR'S REPORT

pwc

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion Section we have determined the matters described below to be key audit matters to be communicated in our report.

Key Audit Matters	How the key audit matter was addressed in the audit
Expected credit losses for loans The Bank has total provision for expected credit losses amounting to TL 7,909,387 thousand in respect to total loans amounting to TL 166,000,071 thousand which represent a significant portion of the Bank's total assets in its unconsolidated financial statements as of 31 December 2024. Explanations and notes regarding expected credit losses on loans are represented in Notes VII of Section Three, VIII of Section Three, II of Section Four, I.5 of Section Five of the accompanying unconsolidated financial statements as at 31 December 2024. The Bank recognizes provision for expected credit losses in accordance with "TFRS 9 Financial Instruments" requirements in line with the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 with number 29750. TFRS 9 is a complex accounting standard which requires considerable judgement and interpretation. These judgements and interpretations are key in the development of the financial models built to measure the expected credit losses on loans recorded at amortized cost. Our audit was focused on this area due to existence of complex estimates and information used in the assessment of expected credit losses such as macroeconomic expectations, current conditions, historical loss experiences; the significance of the loan balances; the correct and timely stage classification of loans as in accordance with applicable regulation and the importance of determination of the associated impairment allowances. The correct classification of loans, timely and correctly identification of loss event and the other judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans. Therefore, this area is considered as key audit matter.	Within our audit procedures, we have assessed policies, procedures and principles established by the Bank management with respect to classifications of loans as per their stages and calculation of expected credit losses in accordance with TFRS-9. We tested the design and operating effectiveness of relevant controls implemented in line with these principles. Regarding the methodology on expected credit losses, we assessed and tested together with our financial risk experts the appropriateness of model segmentation, lifetime probability of default, exposure at default, loss given default models, and approaches related to the projection of macroeconomic expectations. To assess whether the Bank's classification of loans, impairment identification, and the timely and adequate recognition of impairment allowances are in full compliance with applicable regulatory requirements, we have performed loan review procedures based on a selected sample. For a selected sample, we have evaluated the appropriateness expected credit losses provided for loans based on individual assessment as per the Bank's policies by using supportable data and through discussions with the Bank's management. We reviewed the consistency and adequacy of disclosures related to loan impairment in the Bank's financial statements.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters	**How the key audit matter was addressed in the audit**
Valuation of Pension Fund obligations Explanations regarding the TSKB A.Ş. Memur ve Müstahdemleri Yardım ve Emekli Vakfı Sandığı ("Fund") and the recognised provision are disclosed in Note II.7.c.2 of Section Five the accompanying unconsolidated financial statements prepared as of 31 December 2024. TSKB A.Ş. Memur ve Müstahdemleri Yardım ve Emekli Vakfı Sandığı ("Fund") is established in accordance with the Social Security Law numbered 506 article No 20 and is within the scope of Funds whose members' rights to be transferred to the Social Security Institution (SSI). The President is authorized to determine the transfer date. The total obligation of the fund is estimated using separate methods and assumption for benefits to be transferred and for non-transferrable benefits. The calculation of the pension obligations requires significant judgement and technical expertise in choosing appropriate assumptions. Calculation of Pension Fund liabilities include estimates and uncertain assumptions such as transferrable benefits, discount rates, salary increases, economic and demographic assumptions. The Bank's management uses external actuaries for the purpose of valuations of Pension Fund obligations. During our audit, above mentioned significant judgement, assumption and estimates used in the calculations of Pension Fund obligations, uncertainty of the transfer date, technical interest rate determined in accordance with the law regulating the transfer conditions and significant impact of any differentiation in these assumptions taken into consideration, and this area is considered as key audit matter.	Within our audit, we tested, on a sample basis, the accuracy of the retiree and employee data provided by the Bank's management to the external actuarial firm for the calculation of the Fund's obligations. Additionally, we tested the existence and valuation of the assets reported in the Fund's balance sheet. We assessed whether there were significant changes in the actuarial assumptions used in the calculation, employee benefits provided during the period, plan assets and liabilities, and regulatory requirements related to valuations. With the assistance of our actuarial specialists, we evaluated the reasonableness of the assumptions and valuations applied by external actuaries in the calculation of the obligations. Additionally, we reviewed the disclosures related to pension fund obligations in the Bank's unconsolidated financial statements.

4. Other Matter

The audit of unconsolidated financial statements of the Bank as at and for the year ended 31 December 2023 were conducted by another audit firm who expressed qualified opinion on 5 February 2024 due to free provision accounted, in the unconsolidated financial statements.

5. Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements

The Bank management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the BRSA Accounting and Financial Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements
Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No. 29314 dated 2 April 2015 and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No. 29314 dated 2 April 2015 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Bank's bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Bank's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

Additional Paragraph for Convenience Translation

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 31 December 2024. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Gökçe Yaşar Temel, SMMM
Independent Auditor
Istanbul, 4 February 2025

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

THE UNCONSOLIDATED FINANCIAL REPORT OF TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. FOR THE YEAR ENDED 31/12/2024

Address:	Meclis-i Mebusan Cad. No: 81 Fındıklı/Istanbul
Telephone:	(212) 334 52 58
Fax:	(212) 334 52 34
Website:	www.tskb.com.tr
E-mail:	ir@tskb.com.tr

The unconsolidated financial report for the year ended includes the following sections in accordance with "Communiqué on the Financial Statements and Related Explanations and Notes that will be made Publicly Announced" as sanctioned by the Banking Regulation and Supervision Agency:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITORS' REPORT

The accompanying unconsolidated financial statements and the explanatory footnotes and disclosures for the year end, unless otherwise indicated, are prepared in thousands of Turkish Lira ("TL"), in accordance with the Communiqué on Banks' Accounting Practice and Maintaining Documents. Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks' records, and have been independently audited and presented as attached.

February 4, 2025

Hakan ARAN Chairman Of Board Members	Murat BİLGİÇ Member of Board of Directors and General Manager	Tolga SERT Executive Vice President In Charge of Financial Reporting	Dilek PEKCAN MİŞE Head of Financial Control

İzlem ERDEM Chairman of Audit Committee	Banu ALTUN Member of Audit Committee

Contact information of the personnel in charge for addressing questions about this financial report:

Name-Surname/Title: Gizem Pamukçuoğlu/Head of Financial Institutions and Investor Relations Department

Telephone Number: (212) 334 52 58

INDEX

INDEX

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION ONE

GENERAL INFORMATION

I. The Bank's incorporation date, beginning status, changes in the existing status

Türkiye Sınai Kalkınma Bankası A.Ş. ("The Bank") was established in accordance with the decision of President of the Republic of Turkey numbered 3/11203 on May 12, 1950. This decision was declared by T.R. Office of Prime Ministry Procedures Directorate Decision Management on May 12, 1950.

According to the classification set out in the Banking Law No: 5411, the status of the Bank is "Development and Investment Bank". The Bank does not have the license of "Accepting Deposit". Since the establishment date of the Bank, there is no change in its "Development and Investment Bank" status.

II. Explanations regarding the Bank's shareholding structure, shareholders holding directly or indirectly, collectively or individually, the managing and controlling power and changes in current year, if any and explanations on the controlling group of the Bank

Türkiye İş Bankası A.Ş. has the authority of managing and controlling power of the Bank directly or indirectly, alone or together with other shareholders. Shareholders of the Bank are as follows:

Current Period Name Surname/Commercial Title	Share Capital	Shareholding Rate (%)	Paid in Capital	Unpaid Capital
T. İş Bankası A.Ş. Group (*)	1.438.281	51,37	1.438.281	-
T. Vakıflar Bankası T.A.O.	234.569	8,38	234.569	-
Under Custody at Merkezi Kayıt Kuruluşu (Other Institutions and Individuals)	1.127.150	40,25	1.127.150	-
Total	**2.800.000**	**100,00**	**2.800.000**	-

Prior Period Name Surname/Commercial Title	Share Capital	Shareholding Rate (%)	Paid in Capital	Unpaid Capital
T. İş Bankası A.Ş. Group	1.438.281	51,37	1.438.281	-
T. Vakıflar Bankası T.A.O.	234.569	8,38	234.569	-
Under Custody at Merkezi Kayıt Kuruluşu (Other Institutions and Individuals)	1.127.150	40,25	1.127.150	-
Total	**2.800.000**	**100,00**	**2.800.000**	-

(*) İş Bankası Group, which is the capital of the Bank, includes Türkiye İş Bankası A.Ş. (with a 47,68% share), Milli Reasürans Türk A.Ş. (with a 1,90% share), Anadolu Anonim Türk Sigorta Şirketi (with a 0,89% share) and Anadolu Hayat Emeklilik A.Ş. (with a 0,89% share).

The Bank shares are traded in Istanbul Stock Exchange ("BIST") since December 26, 1986. The Bank's 51,37% of the shares belongs to İş Bank Group and 41,10% of these shares are in free floating and traded in BIST Star Market with "TSKB" ticker.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

III. Explanations regarding the chairman and the members of board of directors, audit committee, general manager and assistant general managers and their shares and responsibilities in the Bank

The Chairman and The Members of Board of Directors:

Name Surname	Title (1)
Hakan Aran (5)	Chairman of the Board of Directors
Ece Börü	Vice Chairman of the Board of Directors
Murat Bilgiç	Member of the Board of Directors and Genaral Manager
Mithat Rende	Member of the Board of Directors
İzlem Erdem (3)	Independent Member of the Board of Directors and Chairman of Audit Committee
Banu Altun (3)	Independent Member of the Board of Directors and Member of Audit Committee
Murat Doğan	Member of the Board of Directors
Ş. Nuray Duran (3)	Member of the Board of Directors
Abdi Serdar Üstünsalih	Member of the Board of Directors
M. Sefa Pamuksuz	Independent Member of the Board of Directors
Cengiz Yavilioğlu	Member of the Board of Directors

General Manager and Vice Presidents (2)(6)

Name Surname	Title/Area of Responsibility
Murat Bilgiç	General Manager
Seyit Hüseyin Gürel	Executive Vice President-Consulting Services Sales, Financial and Technical Consulting, Loan Allocation, Loan Structuring and Analysis, Engineering
Hasan Hepkaya	Executive Vice President- Corporate Banking Sales, Project Finance, Corporate Banking Marketing, Credit Operations
Meral Murathan	Executive General Manager - Treasury, Financial Institutions and Investor Relations, Development Finance Institutions Relations, Development Finance Institutions, Climate Change and Sustainability Management
Özlem Bağdatlı	Executive Vice President - Human Resources, Retirement and Supplementary Foundations, Corporate communication
Mustafa Bilinç Tanağardı	Executive Vice President - Application Development, System Support and Operation, Enterprise Architecture and Process Management and Financial Affairs Management
Poyraz Koğacıoğlu	Executive General Manager - Capital Markets, Mergers and Acquisitions, Corporate Finance
Tolga Sert (4)	Executive General Manager - Credit Portfolio Management and Analytics, Financial Analysis, Budget and Planning, Financial Control

(1) The shares held by the above-mentioned persons in the Bank are symbolic

(2) Our Bank's Executive General Manager, Mr. Engin Topaloğlu, resigned from his position due to retirement as of February 29, 2024.

(3) At the Ordinary General Assembly Meeting of our Bank held on March 28, 2024; Ms. İzlem Erdem was elected as the Chairman of the Audit Committee, Ms. Banu Altun as the Member of the Audit Committee, and Ms. Ş. Nuray Duran as the Member of the Board of Directors.

(4) At the Board of Directors meeting of our Bank dated May 2, 2024; It was decided to appoint Mr. Tolga Sert as Deputy General Manager

(5) Our Bank's Board Member and Chairman of the Board of Directors, Mr. Adnan Bali, resigned from his position on August 16, 2024. Within the framework of Article 363 of the Turkish Commercial Code, Mr. Hakan Aran was elected as the vacant Board member and within the framework of Article 16 of our Bank's Articles of Association, as the Chairman of the Board of Directors.

(6) By the decision of the Board of Directors of our Bank dated January 21, 2025, decided to appoint Mr. Ozan Uyar as Executive General Manager.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

IV. Information about the persons and institutions that have qualified shares in the Bank

Explanation about the people and institutions that have qualified shares control the Bank's capital directly or indirectly are described in General Information Section II.

V. Summary on the Bank's functions and areas of activity

Türkiye Sınai Kalkınma Bankası A.Ş. is the first private development and investment bank which was established by the Council of Ministers resolution number of 3/11203 established in 1950 with the support of World Bank, Government of Republic of Turkey, Central Bank of Republic of Turkey and commercial banks. As per the articles of association published in the Official Gazette on June 2, 1950, the aim of the Bank is to support all private sector investments but mostly industrial sectors, to help domestic and foreign capital owners to finance the new firms and to help the improvement of Turkish capital markets. The Bank is succeeding its aims by financing, consulting, giving technical support and financial intermediary services. The Bank, which operates as a non-deposit accepting bank, played a major role on manufacturing and finance sectors in every phase of the economic development of Turkey. The Bank started its journey in 1950 financing the private sector investments in Turkey and today it provides loans and project finance with the goal of sustainable development to corporations in different fields. As a leader in meeting the long term financing needs of the private sector, the Bank also continues to offer solutions with respect to the newest needs and client demands.

VI. The existing or potential, actual or legal obstacle on the transfer of shareholder's equity between the Bank and its subsidiaries or the reimbursement of liabilities

There is no existing or potential, actual or legal obstacle to the reimbursement of liabilities between the Bank and its subsidiaries. The Bank charge or pay cost of the services according to the service agreements done between the Bank and its subsidiaries. Dividend distribution from shareholders' equity is made according to related legal regulations.

VII. Written policies of the Bank related to compliance to publicly disclosed obligations of the Bank and assessment of accuracy, frequency and compliance of mentioned disclosures

The Bank's Disclosure Policy approved by the meeting of the Board of Directors has entered into force on 28 February 2014. Compliance to public disclosure obligations, frequency of public disclosures and tools and methods used for public disclosures are explained in the disclosure policy of the Bank accessible from the Bank's corporate website.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

			Current Period 31 December 2024			Prior Period 31 December 2023		
	ASSETS	Section 5 Dipnot I	TL	FC	Total	TL	FC	Total
I.	**FINANCIAL ASSETS (NET**		**16.462.594**	**18.808.018**	**35.270.612**	**12.079.389**	**15.072.800**	**27.152.189**
1.1	**Cash and Cash Equivalents**		**1.927.260**	**10.549.148**	**12.476.408**	**7.426.572**	**7.698.495**	**15.125.067**
1.1.1	Cash and Balances with Central Bank	**(1)**	772	2.879.653	2.880.425	8.682	2.934.142	2.942.824
1.1.2	Banks	**(3)**	3.006	7.672.856	7.675.862	819	4.765.002	4.765.821
1.1.3	Money Market Placements		1.923.891	-	1.923.891	7.417.408	-	7.417.408
1.1.4	Expected Credit Losses (-)		409	3.361	3.770	337	649	986
1.2	**Financial Assets at Fair Value Through Profit or Loss**	**(2)**	**1.383.876**	**-**	**1.383.876**	**279.883**	**-**	**279.883**
1.2.1	Government Debt Securities		-	-	-	-	-	-
1.2.2	Equity Instruments		-	-	-	-	-	-
1.2.3	Other Financial Assets		1.383.876	-	1.383.876	279.883	-	279.883
1.3	**Financial Assets at Fair Value Through Other Comprehensive Income**	**(4)**	**12.455.502**	**5.897.387**	**18.352.889**	**3.898.112**	**5.914.430**	**9.812.542**
1.3.1	Government Debt Securities		11.611.019	5.005.611	16.616.630	3.669.367	5.161.094	8.830.461
1.3.2	Equity Instruments		198.090	891.776	1.089.866	114.017	753.336	867.353
1.3.3	Other Financial Assets		646.393	-	646.393	114.728	-	114.728
1.4	**Derivative Financial Assets**	**(2)**	**695.956**	**2.361.483**	**3.057.439**	**474.822**	**1.459.875**	**1.934.697**
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		695.956	2.361.483	3.057.439	474.822	1.459.875	1.934.697
1.4.2	Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	**FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET**		**20.799.277**	**161.790.627**	**182.589.904**	**17.126.421**	**123.677.102**	**140.803.523**
2.1	**Loans**	**(5)**	**14.383.721**	**151.616.350**	**166.000.071**	**12.619.452**	**117.065.644**	**129.685.096**
2.2	**Lease Receivables**	**(10)**	**-**	**417.553**	**417.553**	**34.052**	**418.318**	**452.370**
2.3	**Factoring Receivables**		**-**	**-**	**-**	**-**	**-**	**-**
2.4	**Other Financial Assets Measured at Amortized Cost**	**(6)**	**9.949.963**	**14.269.752**	**24.219.715**	**8.392.539**	**10.501.573**	**18.894.112**
2.4.1	Government Debt Securities		9.949.963	14.269.752	24.219.715	8.392.539	10.501.573	18.894.112
2.4.2	Other Financial Assets		-	-	-	-	-	-
2.5	**Expected Credit Losses (-)**		**3.534.407**	**4.513.028**	**8.047.435**	**3.919.622**	**4.308.433**	**8.228.055**
III.	**PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (NET)**	**(16)**	**-**	**-**	**-**	**-**	**-**	**-**
3.1	Held for Sale Purpose		-	-	-	-	-	-
3.2	Related to Discontinued Operations		-	-	-	-	-	-
IV.	**EQUITY INVESTMENTS**		**9.420.766**	**-**	**9.420.766**	**6.502.318**	**-**	**6.502.318**
4.1	**Investments in Associates (Net)**	**(7)**	**4.201.492**	**-**	**4.201.492**	**2.825.834**	**-**	**2.825.834**
4.1.1	Accounted Under Equity Method		4.201.492	-	4.201.492	2.825.834	-	2.825.834
4.1.2	Unconsolidated Associates		-	-	-	-	-	-
4.2	**Subsidiaries (Net)**	**(8)**	**5.219.274**	**-**	**5.219.274**	**3.676.484**	**-**	**3.676.484**
4.2.1	Unconsolidated Financial Subsidiaries		5.085.830	-	5.085.830	3.575.468	-	3.575.468
4.2.2	Unconsolidated Non-Financial Subsidiaries		133.444	-	133.444	101.016	-	101.016
4.3	**Entities under Common Control (Joint Venture) (Net)**	**(9)**	**-**	**-**	**-**	**-**	**-**	**-**
4.3.1	Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	**TANGIBLE ASSETS (Net)**	**(12)**	**572.644**	**-**	**572.644**	**450.137**	**-**	**450.137**
VI.	**INTANGIBLE ASSETS (Net)**	**(13)**	**5.985**	**-**	**5.985**	**5.295**	**-**	**5.295**
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		5.985	-	5.985	5.295	-	5.295
VII.	**INVESTMENT PROPERTY (Net)**	**(14)**	**-**	**-**	**-**	**-**	**-**	**-**
VIII.	**CURRENT TAX ASSET**		**-**	**-**	**-**	**-**	**-**	**-**
IX.	**DEFERRED TAX ASSET**	**(15)**	**265.107**	**-**	**265.107**	**1.446.999**	**-**	**1.446.999**
X.	**OTHER ASSETS (Net)**	**(17)**	**3.009.859**	**125.480**	**3.135.339**	**383.877**	**139.699**	**523.576**
	TOTAL ASSETS		**50.536.232**	**180.724.125**	**231.260.357**	**37.994.436**	**138.889.601**	**176.884.037**

The accompanying notes are an integral part of these unconsolidated financial statements.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

			Current Period 31 December 2024			Prior Period 31 December 2023		
	LIABILITIES AND EQUITY	**Section 5 Note II**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
I.	**DEPOSITS**	**(1)**	**-**	**-**	**-**	**-**	**-**	**-**
II.	**FUNDS BORROWED**	**(3)**	**19.000**	**123.981.589**	**124.000.589**	**175.418**	**106.675.692**	**106.851.110**
III.	**MONEY MARKET BALANCES**		**1.961.247**	**1.319.277**	**3.280.524**	**256.137**	**2.224.922**	**2.481.059**
IV.	**MARKETABLE SECURITIES ISSUED (Net)**	**(3)**	**-**	**51.561.928**	**51.561.928**	**-**	**32.227.091**	**32.227.091**
4.1	Bills		-	-	-	-	-	-
4.2	Assets Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	51.561.928	51.561.928	-	32.227.091	32.227.091
V.	**BORROWER FUNDS**		**30.945**	**652.954**	**683.899**	**132.820**	**1.349.660**	**1.482.480**
5.1	Borrower Funds		30.945	652.954	683.899	132.820	1.349.660	1.482.480
5.2	Other		-	-	-	-	-	-
VI.	**FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**		**-**	**-**	**-**	**-**	**-**	**-**
VII.	**DERIVATIVE FINANCIAL LIABILITIES**	**(2)**	**160.787**	**1.137.479**	**1.298.266**	**32.887**	**1.115.271**	**1.148.158**
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		160.787	1.137.479	1.298.266	32.887	1.115.271	1.148.158
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	**FACTORING LIABILITIES**		**-**	**-**	**-**	**-**	**-**	**-**
IX.	**LEASE LIABILITIES**	**(5)**	**247.755**	**-**	**247.755**	**127.296**	**-**	**127.296**
X.	**PROVISIONS**	**(7)**	**2.285.225**	**84.762**	**2.369.987**	**1.872.459**	**180.126**	**2.052.585**
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reverse for Employee Benefits		102.417	-	102.417	35.123	-	35.123
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		2.182.808	84.762	2.267.570	1.837.336	180.126	2.017.462
XI.	**CURRENT TAX LIABILITY**	**(8)**	**368.765**	**-**	**368.765**	**894.735**	**-**	**894.735**
XII.	**DEFERRED TAX LIABILITY**	**(8)**	**-**	**-**	**-**	**-**	**-**	**-**
XIII.	**LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)**	**(9)**	**-**	**-**	**-**	**-**	**-**	**-**
13.1	Held for Sale Purpose		-	-	-	-	-	-
13.2	Related to Discontinued Operations		-	-	-	-	-	-
XIV.	**SUBORDINATED DEBT INSTRUMENTS**	**(10)**	**-**	**10.800.864**	**10.800.864**	**-**	**6.043.090**	**6.043.090**
14.1	Loans		-	-	-	-	6.043.090	6.043.090
14.2	Other Debt Instruments		-	10.800.864	10.800.864	-	-	-
XV.	**OTHER LIABILITIES**	**(4)**	**573.985**	**3.595.006**	**4.168.991**	**424.650**	**1.740.113**	**2.164.763**
XVI.	**SHAREHOLDERS' EQUITY**		**32.281.656**	**197.133**	**32.478.789**	**21.357.317**	**54.353**	**21.411.670**
16.1	Paid-in capital	**(11)**	2.800.000	-	2.800.000	2.800.000	-	2.800.000
16.2	Capital Reserves		14.658	-	14.658	14.658	-	14.658
16.2.1	Share Premium		-	-	-	-	-	-
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		14.658	-	14.658	14.658	-	14.658
16.3	Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss	**(11)**	3.896.451	230.008	4.126.459	3.101.549	183.946	3.285.495
16.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		381.972	(32.875)	349.097	387.134	(129.593)	257.541
16.5	Profit Reserves		15.053.976	-	15.053.976	8.012.499	-	8.012.499
16.5.1	Legal Reserves	**(11)**	645.497	-	645.497	631.996	-	631.996
16.5.2	Status Reserves		75.641	-	75.641	75.641	-	75.641
16.5.3	Extraordinary Reserves	**(11)**	14.329.918	-	14.329.918	7.301.942	-	7.301.942
16.5.4	Other Profit Reserves		2.920	-	2.920	2.920	-	2.920
16.6	Profit Or Loss		10.134.599	-	10.134.599	7.041.477	-	7.041.477
16.6.1	Prior Years' Profit/Loss		-	-	-	-	-	-
16.6.2	Current Year Profit/Loss		10.134.599	-	10.134.599	7.041.477	-	7.041.477
	TOTAL LIABILITIES AND EQUITY		**37.929.365**	**193.330.992**	**231.260.357**	**25.273.719**	**151.610.318**	**176.884.037**

The accompanying notes are an integral part of these unconsolidated financial statements.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF OFF BALANCE SHEET
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

			Current Period 31 December 2024			Prior Period 31 December 2023		
	OFF BALANCE SHEET	**Section 5 Note III**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
A.	**OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)**		**23.449.505**	**195.016.999**	**218.466.504**	**18.195.989**	**140.351.536**	**158.547.525**
I.	**GUARANTEES AND COLLATERALS**	**(1)**	**3.350.423**	**18.244.917**	**21.595.340**	**2.508.577**	**9.714.268**	**12.222.845**
1.1	Letters of Guarantee		2.818.372	5.808.518	8.626.890	2.378.874	5.722.479	8.101.353
1.1.1	Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		2.818.372	5.808.518	8.626.890	2.378.874	5.722.479	8.101.353
1.2	Bank Acceptances		-	131.339	131.339	-	-	-
1.2.1	Import Letter of Acceptance		-	131.339	131.339	-	-	-
1.2.2	Other Bank Acceptance		-	-	-	-	-	-
1.3	Letters of Credit		532.051	12.305.060	12.837.111	129.703	3.991.789	4.121.492
1.3.1	Documantery Letters of Credit		532.051	12.305.060	12.837.111	129.703	3.991.789	4.121.492
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantess		-	-	-	-	-	-
1.9	Other Collaterals		-	-	-	-	-	-
II.	**COMMITMENTS**	**(1)**	**2.806.010**	**8.648.292**	**11.454.302**	**1.975.991**	**6.563.880**	**8.539.871**
2.1	Irrevocable Commitments		1.218.654	640.755	1.859.409	1.469.708	428.175	1.897.883
2.1.1	Forward Asset Purchase and Sale Commitments		389.727	458.574	848.301	118.180	223.859	342.039
2.1.2	Forward Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	142.284	142.284	-	168.814	168.814
2.1.4	Loan Granting Commitments		-	-	-	-	-	-
2.1.5	Securities Underwriting Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Payment Commitment for Checks		-	-	-	-	-	-
2.1.8	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9	Commitments for Credit Card Expenditure Limits		-	-	-	-	-	-
2.1,10	Commitments for Promotions Related with Credit Cards and Banking Activities		-	-	-	-	-	-
2.1,11	Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1,12	Payables for Short Sale Commitments		-	-	-	-	-	-
2.1,13	Other Irrevocable Commitments		828.927	39.897	868.824	1.351.528	35.502	1.387.030
2.2	Revocable Commitments		1.587.356	8.007.537	9.594.893	506.283	6.135.705	6.641.988
2.2.1	Revocable Loan Granting Commitments		1.587.356	8.007.537	9.594.893	506.283	6.135.705	6.641.988
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	**(2)**	**17.293.072**	**168.123.790**	**185.416.862**	**13.711.421**	**124.073.388**	**137.784.809**
3.1	Derivative Financial Instruments for Hedging Purposes		-	69.298.701	69.298.701	-	38.788.055	38.788.055
3.1.1	Fair Value Hedge		-	69.298.701	69.298.701	-	38.788.055	38.788.055
3.1.2	Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-

The accompanying notes are an integral part of these unconsolidated financial statements.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF OFF BALANCE SHEET
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

			Current Period 31 December 2024			Prior Period 31 December 2023		
	OFF BALANCE SHEET	**Section 5 Note III**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
3.2	Held for Trading Transactions		17.293.072	98.825.089	116.118.161	13.711.421	85.285.333	98.996.754
3.2.1	Forward Foreign Currency Buy/Sell Transactions		386.659	524.487	911.146	506.702	601.942	1.108.644
3.2.1.1	Forward Foreign Currency Transactions-Buy		268.295	183.357	451.652	506.702	64.395	571.097
3.2.1.2	Forward Foreign Currency Transactions-Sell		118.364	341.130	459.494	-	537.547	537.547
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rate		16.906.413	98.261.432	115.167.845	13.204.719	84.683.391	97.888.110
3.2.2.1	Foreign Currency Swap-Buy		853.917	28.963.582	29.817.499	4.944	19.862.066	19.867.010
3.2.2.2	Foreign Currency Swap-Sell		11.767.384	17.124.992	28.892.376	13.148.219	6.935.939	20.084.158
3.2.2.3	Interest Rate Swap-Buy		2.142.556	26.086.429	28.228.985	25.778	28.942.693	28.968.471
3.2.2.4	Interest Rate Swap-Sell		2.142.556	26.086.429	28.228.985	25.778	28.942.693	28.968.471
3.2.3	Foreign Currency, Interest Rate, and Securities Options		-	39.170	39.170	-	-	-
3.2.3.1	Foreign Currency Options-Buy		-	19.585	19.585	-	-	-
3.2.3.2	Foreign Currency Options-Sell		-	19.585	19.585	-	-	-
3.2.3.3	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
B.	**CUSTODY AND PLEDGES SECURITIES (IV+V+VI)**		**445.422.551**	**2.800.962.189**	**3.246.384.740**	**366.597.529**	**2.352.099.418**	**2.718.696.947**
IV.	**ITEMS HELD IN CUSTODY**		**720.297**	**2.736.125**	**3.456.422**	**72.489**	**3.925.397**	**3.997.886**
4.1	Customers' Securities Held		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		36.048	2.736.125	2.772.173	10.059	3.925.397	3.935.456
4.3	Checks Received for Collection		-	-	-	-	-	-
4.4	Commercial Notes Received for Collection		-	-	-	-	-	-
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		-	-	-	-	-	-
4.8	Custodians		684.249	-	684.249	62.430	-	62.430
V.	**PLEDGES ITEMS**		**429.581.976**	**2.269.143.066**	**2.698.725.042**	**352.788.851**	**1.922.576.059**	**2.275.364.910**
5.1	Marketable Securities		456.249	-	456.249	456.249	-	456.249
5.2	Guarantee Notes		194.627	2.370.696	2.565.323	175.899	3.108.491	3.284.390
5.3	Commodity		-	-	-	-	-	-
5.4	Warranty		-	-	-	-	-	-
5.5	Real Estate		118.446.897	631.496.822	749.943.719	104.370.588	619.660.191	724.030.779
5.6	Other Pledged Items		310.484.203	1.635.275.548	1.945.759.751	247.786.115	1.299.807.377	1.547.593.492
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	**ACCEPTED BILL OF EXCHANGE AND COLLATERALS**		**15.120.278**	**529.082.998**	**544.203.276**	**13.736.189**	**425.597.962**	**439.334.151**
	TOTAL OFF BALANCE SHEET ITEMS (A+B)		**468.872.056**	**2.995.979.188**	**3.464.851.244**	**384.793.518**	**2.492.450.954**	**2.877.244.472**

The accompanying notes are an integral part of these unconsolidated financial statements.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

	STATEMENT OF PROFIT OR LOSS	Dipnot	Current Period 1 January 2024 - 31 December 2024	Prior Period 1 January 2023 - 31 December 2023
I.	**INTEREST INCOME**	**(1)**	**28.643.380**	**17.982.813**
1.1	Interest on Loans		16.852.968	11.266.505
1.2	Interest Received from Reserve Deposits		752	82
1.3	Interest Received from Banks		89.400	27.357
1.4	Interest Received from Money Market Placements		3.095.019	1.645.877
1.5	Interest Received from Marketable Securities Portfolio		8.410.118	4.989.919
1.5.1	Fair Value through Profit or Loss		4.333	-
1.5.2	Fair Value through other Comprehensive Income		3.332.865	992.559
1.5.3	Measured at Amortized Cost		5.072.920	3.997.360
1.6	Finance Lease Interest Income		45.584	32.455
1.7	Other Interest Income		149.539	20.618
II.	**INTEREST EXPENSES (-)**	**(2)**	**13.538.443**	**7.748.413**
2.1	Interest on Deposits		-	-
2.2	Interest on Funds Borrowed		7.912.088	5.922.080
2.3	Interest on Money Market Borrowings		1.719.453	152.013
2.4	Interest on Securities Issued		3.708.905	1.568.068
2.5	Leasing Interest Expense		93.008	32.275
2.6	Other Interest Expense		104.989	73.977
III.	**NET INTEREST INCOME (I - II)**		**15.104.937**	**10.234.400**
IV.	**NET FEES AND COMMISSIONS INCOME/EXPENSES**		**513.873**	**453.211**
4.1	Fees and Commissions Received		570.341	480.757
4.1.1	Non-cash Loans		204.190	179.070
4.1.2	Other		366.151	301.687
4.2	Fees and Commissions Paid (-)		56.468	27.546
4.2.1	Non-cash Loans		6.674	6.883
4.2.2	Other		49.794	20.663
V.	**DIVIDEND INCOME**	**(3)**	**6.863**	**12.990**
VI.	**NET TRADING INCOME**	**(4)**	**(2.074.800)**	**1.698.299**
6.1	Securities Trading Gains/(Losses)		134.632	23.212
6.2	Derivative Financial Instruments Gains/Losses		(1.447.083)	1.877.972
6.3	Foreign Exchange Gains/Losses (Net)		(762.349)	(202.885)
VII.	**OTHER OPERATING INCOME**	**(5)**	**888.243**	**236.014**
VIII.	**GROSS OPERATING INCOME (III+IV+V+VI+VII)**		**14.439.116**	**12.634.914**
IX.	**EXPECTED CREDIT LOSSES (-)**	**(6)**	**563.568**	**3.198.885**
X.	**OTHER PROVISION EXPENSES (-)**	**(6)**	**330.000**	**870.000**
XI.	**PERSONNEL EXPENSES (-)**		**1.523.043**	**726.368**
XII.	**OTHER OPERATING EXPENSES (-)**	**(7)**	**623.763**	**433.308**
XIII.	**NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)**		**11.398.742**	**7.406.353**
XIV.	**AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER**		**-**	**-**
XV.	**PROFIT/(LOSS) ON EQUITY METHOD**		**2.280.226**	**1.885.870**
XVI.	**GAIN/(LOSS) ON NET MONETARY POSITION**		**-**	**-**
XVII.	**PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)**		**13.678.968**	**9.292.223**
XVIII.	**TAX PROVISION FOR CONTINUED OPERATIONS (±)**	**(8)**	**3.544.369**	**2.250.746**
18.1	Provision for Current Income Taxes		2.371.538	2.938.543
18.2	Deferred Tax Income Effect (+)		2.249.096	976.265
18.3	Deferred Tax Expense Effect (-)		1.076.265	1.664.062
XIX.	**NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVI±XVII)**	**(9)**	**10.134.599**	**7.041.477**
XX.	**INCOME ON DISCONTINUED OPERATIONS**		**-**	**-**
20.1	Income on Assets Held for Sale		-	-
20.2	Income on Sale of Associates, Subsidiaries and JointlyControlled Entities (Joint Venture)		-	-
20.3	Income on Other Discontinued Operations		-	-
XXI.	**LOSS FROM DISCONTINUED OPERATIONS (-)**		**-**	**-**
21.1	Loss from Assets Held for Sale		-	-
21.2	Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Venture)		-	-
21.3	Loss from Other Discontinued Operations		-	-
XXII.	**PROFIT/(LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XX-XXI)**		**-**	**-**
XXIII.	**TAX PROVISION FOR DISCONTINUED OPERATIONS (±)**		**-**	**-**
23.1	Provision for Current Income Taxes		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	**NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)**		**-**	**-**
XXV.	**NET PROFIT/LOSS (XIX+XXIV)**	**(10)**	**10.134.599**	**7.041.477**
	Earning/(loss) per share		3.619	2.515

The accompanying notes are an integral part of these unconsolidated financial statements.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

	PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Audited Current Period 1 January 2024 - 31 December 2024	Audited Prior Period 1 January 2023 - 31 December 2023
I.	**CURRENT PERIOD INCOME/LOSS**	**10.134.599**	**7.041.477**
II.	**OTHER COMPREHENSIVE INCOME**	**932.520**	**1.588.186**
2.1	**Not Reclassified Through Profit or Loss**	**840.964**	**2.341.095**
2.1.1	Property and Equipment Revaluation Increase/Decrease	84.279	131.784
2.1.2	Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain/Loss	(48.113)	4.985
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	803.179	2.231.986
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	1.619	(27.660)
2.2	**Reclassified Through Profit or Loss**	**91.556**	**(752.909)**
2.2.1	Foreign Currency Translation Differences	72.673	212.135
2.2.2	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value Through Other Comprehensive Income	29.563	(646.351)
2.2.3	Cash Flow Hedge Income/Loss	-	-
2.2.4	Income (Loss) Related with Hedges of Net Investments in Foreign Operations	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	(395.534)
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(10.680)	76.841
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**	**11.067.119**	**8.629.663**

The accompanying notes are an integral part of these unconsolidated financial statements.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

							Accumulated Other Comprehensive Income or Expenses Not Reclassified Through Profit or Loss			Accumulated Other Comprehensive Income or Expenses Reclassified Through Profit or Loss								
	CHANGES IN SHAREHOLDERS' EQUITY	**Note**	**Paid-in Capital**	**Share Premius**	**Share Cancellation Profits**	**Other Capital Reserves**	**1**	**2**	**3**	**4**	**5**	**6**	**Profit Reserves**	**Prior Period Profit or (Loss)**	**Current Period Profit or (Loss)**	**Total Equity Except from Minority Interest**	**Minority Interest**	**Total Shareholders' Equity**
	Prior Period - 31 December 2023																	
I.	**Prior Period End Balance**		**2.800.000**	**-**	**-**	**374**	**144.930**	**247**	**799.223**	**173.399**	**441.517**	**395.534**	**3.971.749**	**4.055.034**	**-**	**12.782.007**	**-**	**12.782.007**
II.	**Corrections and Accounting Policy Changes Made According to TAS 8**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted Beginning Balance (I+II)**		**2.800.000**	**-**	**-**	**374**	**144.930**	**247**	**799.223**	**173.399**	**441.517**	**395.534**	**3.971.749**	**4.055.034**	**-**	**12.782.007**	**-**	**12.782.007**
IV.	**Total Comprehensive Income**		**-**	**-**	**-**	**-**	**105.636**	**3.473**	**2.231.986**	**212.135**	**(569.510)**	**(395.534)**	**-**	**-**	**7.041.477**	**8.629.663**	**-**	**8.629.663**
V.	**Capital Increase by Cash**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-
VI.	**Capital Increase by Internal Sources**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-
VII.	**Effect of Inflation on Paid-in Capital**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-
VIII.	**Convertible Bonds to Share**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-
IX.	**Subordinated Debt Instruments**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-
X.	**Increase/Decrease by Other Changes**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-
XI.	**Profit Distribution**		**-**	**-**	**-**	**14.284**	**-**	**-**	**-**	**-**	**-**	-	**4.040.750**	**(4.055.034)**	-	-	-	-
11.1	Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	3.895.462	(3.895.462)	-	-	-	-
11.3	Other		-	-	-	14.284	-	-	-	-	-	-	145.288	(159.572)	-	-	-	-
	Period-End Balance (III+IV+…...+X+XI)		**2.800.000**	**-**	**-**	**14.658**	**250.566**	**3.720**	**3.031.209**	**385.534**	**(127.993)**	**-**	**8.012.499**	**-**	**7.041.477**	**21.411.670**	**-**	**21.411.670**

1. Accumulated Revaluation Increase/Decrease of Fixed Assets
2. Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan
3. Other (Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)
4. Foreign Currency Translition Differences
5. Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Asset at Fair Value Through Other Comprehensive Income
6. Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)

The accompanying notes are an integral part of these unconsolidated financial statements.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

							Accumulated Other Comprehensive Income or Expenses Not Reclassified Through Profit or Loss			Accumulated Other Comprehensive Income or Expenses Reclassified Through Profit or Loss								
	CHANGES IN SHAREHOLDERS' EQUITY	**Note**	**Paid-in Capital**	**Share Premiums**	**Share Cancellation Profits**	**Other Capital Reserves**	**1**	**2**	**3**	**4**	**5**	**6**	**Profit Reserves**	**Prior Period Profit or (Loss)**	**Current Period Profit or (Loss)**	**Total Equity Except from Minority Interest**	**Minority Interest**	**Total Shareholders' Equity**
	Current Period - 31 December 2024																	
I.	**Prior Period End Balance**		**2.800.000**	**-**	**-**	**14.658**	**250.566**	**3.720**	**3.031.209**	**385.534**	**(127.993)**	-	**8.012.499**	**7.041.477**	**-**	**21.411.670**	**-**	**21.411.670**
II.	**Corrections and Accounting Policy Changes Made According to TAS 8**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted Beginning Balance (I+II)**		**2.800.000**	**-**	**-**	**14.658**	**250.566**	**3.720**	**3.031.209**	**385.534**	**(127.993)**	-	**8.012.499**	**7.041.477**	**-**	**21.411.670**	**-**	**21.411.670**
IV.	**Total Comprehensive Income**		**-**	**-**	**-**	**-**	**71.464**	**(33.679)**	**803.179**	**72.673**	**18.883**	-	**-**	**-**	**10.134.599**	**11.067.119**	**-**	**11.067.119**
V.	**Capital Increase by Cash**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-
VI.	**Capital Increase by Internal Sources**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-
VII.	**Effect of Inflation on Paid-in Capital**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-
VIII.	**Convertible Bonds to Share**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-
IX.	**Subordinated Debt Instruments**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-
X.	**Increase/Decrease by Other Changes**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-
XI.	**Profit Distribution**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	**7.041.477**	**(7.041.477)**	-	-	-	-
11.1	Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	6.044.477	(6.044.477)	-	-	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	997.000	(997.000)	-	-	-	-
	Period-End Balance (III+IV+…...+X+XI)		**2.800.000**	**-**	**-**	**14.658**	**322.030**	**(29.959)**	**3.834.388**	**458.207**	**(109.110)**	-	**15.053.976**	**-**	**10.134.599**	**32.478.789**	**-**	**32.478.789**

1. Accumulated Revaluation Increase/Decrease of Fixed Assets
2. Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan
3. Other (Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)
4. Foreign Currency Translition Differences
5. Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Asset at Fair Value Through Other Comprehensive Income
6. Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)

The accompanying notes are an integral part of these unconsolidated financial statements.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

		Note	Current Period 31 December 2024	Prior Period 31 December 2023
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating Profit Before Changes in Operating Assets and Liabilities**		**11.667.916**	**5.922.819**
1.1.1	Interest Received		28.111.707	13.649.860
1.1.2	Interest Paid		(12.711.975)	(6.569.869)
1.1.3	Dividends Received		41.019	12.990
1.1.4	Fees and Commissions Received		570.341	480.757
1.1.5	Other Income		632.411	131.642
1.1.6	Collections from Previously Written off Loans		348.638	286.757
1.1.7	Payments to Personnel and Service Suppliers		(1.540.873)	(716.723)
1.1.8	Taxes Paid		(2.381.222)	(2.150.806)
1.1.9	Others		(1.402.130)	798.211
1.2	**Changes in Operating Assets and Liabilities**		**(21.265.490)**	**(7.308.971)**
1.2.1	Net (Increase) (Decrease) in Financial Assets at Fair Value through Profit or Loss		(997.000)	-
1.2.2	Net (Increase) (Decrease) in Due from Banks		-	-
1.2.3	Net (Increase) (Decrease) in Loans		(18.565.459)	(2.959.228)
1.2.4	Net (Increase) (Decrease) in Other Assets		(2.490.811)	(510.733)
1.2.5	Net (Increase) (Decrease) in Bank Deposits		-	-
1.2.6	Net (Increase) (Decrease) in Other Deposits		-	-
1.2.7	Net (Increase) (Decrease) in Financial Liabilities at Fair Value through Profit or Loss		-	-
1.2.8	Net (Increase) (Decrease) in Funds Borrowed		(573.988)	(5.027.148)
1.2.9	Net (Increase) (Decrease) in Matured Payable		-	-
1.2.10	Net (Increase) (Decrease) in Other Liabilities		1.361.768	1.188.138
I.	**Net Cash Provided by/(used in) Banking Operations**		**(9.597.574)**	**(1.386.152)**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net Cash Provided by/(used in) Investing Activities**		**(9.138.777)**	**3.690.632**
2.1	Cash Paid for Purchase of Entities under Common Control, Associates and Subsidiaries		-	-
2.2	Cash Obtained from Sale of Entities under Common Control, Associates and Subsidiaries		-	-
2.3	Purchases of Property and Equipment		(18.600)	(21.570)
2.4	Disposals of Property and Equipment		581	1.707
2.5	Purchase of Financial Assets at Fair Value through Other Comprehensive Income		(8.471.914)	(2.141.285)
2.6	Sale of Financial Assets at Fair Value through Other Comprehensive Income		1.843.538	5.998.935
2.7	Purchase of Financial Assets Measured at Amortized Cost		(3.194.001)	(475.734)
2.8	Sale of Financial Assets Measured at Amortized Cost		704.972	334.204
2.9	Others		(3.353)	(5.625)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net Cash Provided by/(used in) Financing Activities**		**15.796.931**	**1.839.253**
3.1	Cash Obtained From Funds Borrowed and Securities Issued		26.829.047	8.435.218
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(10.916.103)	(6.513.172)
3.3	Capital Increase		-	-
3.4	Dividends Paid		-	-
3.5	Payments for Leases		(116.013)	(82.793)
3.6	Other		-	-
IV.	**Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents**		**386.160**	**903.891**
V.	**Net Increase/(Decrease) in Cash and Cash Equivalents**		**(2.553.260)**	**5.047.624**
VI.	**Cash and Cash Equivalents at Beginning of the Period**		**12.104.573**	**7.056.949**
VII.	**Cash and Cash Equivalents at End of the Period**		**9.551.313**	**12.104.573**

The accompanying notes are an integral part of these unconsolidated financial statements.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

		Current Period 31 December 2024 (1)	Prior Period 31 December 2023 (4)
I.	**DISTRIBUTION OF CURRENT YEAR INCOME**		
1.1	CURRENT YEAR INCOME	13.678.968	9.292.223
1.2	TAXES AND DUTIES PAYABLE	3.544.369	2.250.746
1.2.1	Corporate Tax (Income tax)	2.371.538	2.938.543
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties (3)	1.172.831	(687.797)
A.	**NET INCOME FOR THE YEAR (1.1-1.2)**	**10.134.599**	**7.041.477**
1.3	PRIOR YEARS LOSSES (-)	-	-
1.4	LEGAL RESERVES (-)	-	13.500
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	**NET PROFIT AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]**	**10.134.599**	**7.027.977**
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1	To owners of ordinary shares	-	-
1.6.2	To owners of preferred shares	-	-
1.6.3	To owners of preferred shares (pre-emptive rights)	-	-
1.6.4	To profit sharing bonds	-	-
1.6.5	To holders of profit and loss sharing certificates	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1	To owners of ordinary shares	-	-
1.9.2	To owners of preferred shares	-	-
1.9.3	To owners of preferred shares (pre-emptive rights)	-	-
1.9.4	To profit sharing bonds	-	-
1.9.5	To holders of profit and loss sharing certificates	-	-
1,10	STATUTORY RESERVES (-)	-	-
1,11	GENERAL RESERVES	-	-
1,12	OTHER RESERVES	-	6.030.976
1,13	SPECIAL FUNDS	-	-
1,14		-	997.000
II.	**DISTRIBUTION OF RESERVES**	**-**	**-**
	APPROPRIATED RESERVES		
2.1	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.2	To owners of ordinary shares	-	-
2.2.1	To owners of preferred shares	-	-
2.2.2	To owners of preferred shares (pre-emptive rights)	-	-
2.2.3	To profit sharing bonds	-	-
2.2.4	To holders of profit and loss sharing certificates	-	-
2.2.5	DIVIDENDS TO PERSONNEL (-)	-	-
2.3	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
2.4		-	-
III.	**EARNINGS PER SHARE (2)**		
	TO OWNERS OF ORDINARY SHARES		
3.1	TO OWNERS OF ORDINARY SHARES (%)	3.62	2.51
3.2	TO OWNERS OF PRIVILEGED SHARES	361.95	251.00
3.3	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
3.4		-	-
IV.	**DIVIDEND PER SHARE**		
4.1	TO OWNERS OF ORDINARY SHARES	-	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3	TO OWNERS OF PRIVILAGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(1) Since the Board of Directors has not prepared any proposal for profit distribution relating to the year 2024 yet, only profit available for distribution for the year 2024 is presented.

(2) A nominal value of 1 kuruş figures a share in unconsolidated income statement and unconsolidated statement of profit distribution and an earnings per share is calculated for a nominal value of 1 kuruş.

(3) The amount related to the current period is deferred tax expense and the amount related to the previous period is deferred tax income.

(4) The profit distribution table for the previous period became final with the decision of the Ordinary General Assembly dated March 28, 2024 after the publication of the independently audited financial statements dated December 31, 2023 and rearranged in this direction.

The accompanying notes are an integral part of these unconsolidated financial statements.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

I.a Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents

The unconsolidated financial statements have been prepared in TL, under the historical cost convention except for the financial asset, liabilities and buildings revaluation model which are carried at fair value.

The unconsolidated financial statements and related explanations and footnotes included in this report have been prepared in accordance with the Regulation on the Procedures and Principles Regarding Banks' Accounting Applications and Document Retention and other regulations, communiqués, explanations and circulars published by the Banking Regulation and Supervision Agency (BRSA) regarding the accounting and financial reporting principles of banks and the provisions of the Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority (POA) for matters not regulated by these (hereinafter collectively referred to as the "BRSA Accounting and Financial Reporting Legislation"). However, the TAS 29 "Financial Reporting in Hyperinflationary Economies" standard included in the TFRS is not applied to banks and financial leasing, factoring, financing, savings, financing and asset management companies as explained below.

The accounting policies and valuation principles used in the 2024 period are presented in the accompanying notes and the accounting policies and valuation principles are explained in Notes II to XXII below.

The format and content of the accompanying unconsolidated financial statements and footnotes have been prepared in accordance with the "Communique' on Publicly Announced Financial Statements Explanations and notes to the Financial Statements" and "Communique on Disclosures About Risk Management to be Announced to Public by Banks."

The accompanying unconsolidated financial statements and the explanatory footnotes, unless otherwise indicated, are prepared in thousands of Turkish Lira ("TL").

Entities whose functional currency is the currency of a hyperinflationary economy present their financial statements in terms of the measuring unit current at the end of the reporting period according to "TAS 29 Financial Reporting in Hyperinflation Economies". Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities applying Turkish Financial Reporting Standards (TFRSs) are required to present their financial statements by adjusting for the impact of inflation for the annual reporting period ending on or after 31 December 2023, in accordance with the accounting principles specified in TAS 29. In the same announcement, it was stated that institutions or organizations authorized to regulate and supervise in their respective scope might determine different transition dates for the implementation of inflation accounting, and in this context, Banking Regulation and Supervision Agency (BRSA) announced that financial statements of banks, financial leasing, factoring, financing, savings financing and asset management companies as of 31 December 2023 would not be subject to the inflation adjustment in accordance with BRSA Board decision on 12 December 2023. Within the scope of BRSA's decision numbered 10825 dated January 11, 2024; it was decided that banks and financial leasing, factoring, financing, savings financing and asset management companies would switch to inflation accounting as of January 1, 2025, and TAS 29 was not applied and no inflation adjustment was made in the financial statements dated December 31, 2024. However, in accordance with BRSA's decision numbered 11021 dated December 5, 2024, it was decided that banks and financial leasing, factoring, financing, savings financing and asset management companies would not apply inflation accounting in 2025 either.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

I. Basis of presentation (Continued)

I.b The valuation principles used in the preparation of the financial statements

The accounting rules and the valuation principles used in the preparation of the financial statements were implemented as stated in the Turkish Accounting Standards and related regulations, explanations and circulars on accounting and financial reporting principles announced by the BRSA. These accounting policies and valuation principles are explained in the below notes through II to XXII.

As it is intended to update the financial information contained in the latest annual financial statements in the year end financial statements prepared as of December 31, 2024, the Bank made estimates in the calculation of expected credit losses and disclosed these in footnote VIII "Disclosures on impairment of financial assets". In the coming periods, the Bank will update its relevant assumptions according to necessary extents and review the realizations of past estimates.

I.c The accounting policies for the correct understanding of the financial statements

The following accounting policies that applied according to BRSA regulations and TAS for the correct understanding of the financial statements and valuation principles used in preparation of the financial statements are presented in more detail below.

Changes in accounting policies and disclosures

TAS/TFRS changes, which entered into force as of January 1, 2024, do not have a significant effect on the accounting policies, financial status and performance of the Bank. TAS and TFRS changes, which were published but not put into effect as of the final date of the financial statements, will not have a significant effect on the accounting policies, financial status and performance of the Bank.

I.d Additional paragraph for convenience translation into English:

BRSA Accounting and Financial Reporting Legislation, as described in the preceding paragraphs, differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of December 31, 2024 and the differences between accounting principles have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

II. Explanations on usage strategy of financial assets and foreign currency transactions

The main sources of the funds of the Bank have variable interest rates. The financial balances are monitored frequently and fixed and floating interest rate placements are undertaken according to the return on the alternative financial instruments. The macro goals related to balance sheet amounts are set during budgeting process and positions are taken accordingly.

Due to the fact that the great majority of the loans extended by the Bank have a flexibility of reflecting changes in the market interest rates to the customers, the interest rate risk is kept at minimum level. Moreover, the highly profitable Eurobond and the foreign currency government indebtness securities portfolio have the attribute of eliminating the risks of interest rate volatility.

Interest rate risk is reduced by creating an asset composition in line with the fixed/variable cost structure of the resources used.

The fixed rate Subordinated bond, Eurobond and Greenbond issued by the Bank and a portion of fixed rate funds borrowed are subject to fair value hedge accounting. The Bank enters into interest rate swap agreements in order to hedge the change in fair values of its fixed rate and cross currency financial liabilities. The changes in the fair value of the hedged fixed rate financial liabilities and hedging interest cross currency rate swaps are recognized under the trading profit/loss.

In the beginning and later period of the hedging transaction, the aforementioned hedging transactions are expected to offset changes occurred in the relevant period of the hedging transaction and hedged risk (attributable to hedging risk) and effectiveness tests are performed in this regard.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

II. Explanations on usage strategy of financial assets and foreign currency transactions (Continued)

The Bank performs effectiveness test at the beginning of the hedge accounting and at each reporting period. The effectiveness tests are carried out using the "Dollar off-set model" and the hedge accounting is applied as long as the test results are between the range of 80%-125% of effectiveness.

The hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective. When discontinuing fair value hedge accounting, the cumulative fair value changes in carrying value of the hedged item arising from the hedged risk are amortized and recognized in income statement over the life of the hedged item from that date of the hedge accounting is discontinued.

The Bank liquidity is regularly monitored. Moreover, the need of liquidity in foreign currencies is safeguarded by currency swaps.

Commercial placements are managed with high return and low risk assets considering the international and domestic economic expectations, market conditions, creditors' expectations and their tendencies, interest-liquidity and other similar factors. Prudence principle is adopted in the placement decisions. The long term placements are made under project finance. A credit policy is implemented such a way that harmonizing the profitability of the projects, the collateral and the value add introduced by the Bank.

The movements of foreign exchange rates in the market, interest rates and prices are monitored instantaneously. While taking positions, the Bank's unique operating and control limits are watched effectively besides statutory limits. Limit overs are not allowed

To protect against exchange rate risk arising from foreign currency transactions a stable foreign exchange position strategy is implemented and to be secured from cross currency risk, the current foreign exchange position is monitored by considering a currency basket in specific foreign currencies.

The foreign exchange gains and losses on foreign currency transactions are accounted for in the period of the transaction. Foreign exchange assets and liabilities are translated to Turkish Lira using foreign exchange bid rate as of the reporting date, and the resulting gains and losses are recorded in foreign exchange gains or losses.

The Bank is exposed to financial risk which depends on changes in foreign exchange rates and interest rates due to activities and as part of banking activities uses derivative instruments to manage financial risk that especially associated with fluctuations in foreign exchange and interest rate. Mainly derivative instruments used by the Bank are foreign currency forwards, swaps and option agreements.

Derivative financial instruments are recognized at their fair value on the contract date and continue to be monitored at their fair value in subsequent reporting periods. Derivative financial instruments of the Bank are classified under "TFRS 9 Financial Instruments" ("TFRS 9"), "Derivative Financial Assets Designated at Fair Value Through Profit or Loss" or "Derivative Financial Assets Designated at Fair Value Through Other Comprehensive Income".

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

III. Explanations on forward and option contracts and derivative instruments

Payables and receivables arising from the derivative instruments are recorded in the off-balance sheet accounts at their contractual values. Derivative transactions are valued at their fair values subsequent to their acquisition. In accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss" or "Derivative Financial Assets Designated at Fair Value Through Other Comprehensive Income", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities Designated at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities Designated at Fair Value Through Other Comprehensive Income". The fair value differences of derivative financial instruments are recognized in the income statement under trading profit/loss line in profit/loss from derivative financial transactions.

TFRS 9 provides the option of deferring the adoption of TFRS 9 hedge accounting and the option to continue to apply the provisions of TAS 39 hedge accounting in the selection of accounting policies. In this context, the Bank continues to apply the provisions of TAS 39 hedge accounting. When a derivative financial instrument, is originally designed as a hedge by the Bank, the relationship between the Bank's financial risk from hedged item and the hedging instrument, the risk management objectives and strategy of hedging transaction and the methods that will be used in the measurement of effectiveness, describe in written. The Bank, at the beginning of the aforementioned engagement and during the ongoing process, evaluates whether the hedging instruments are effective on changes in the fair values or actual results of hedging are within the range of 80% - 125%.

IV. Explanations on associates and subsidiaries

In the unconsolidated financial statements, Financial subsidiaries and Investments in associates are recognized equity method within the scope of the Turkish Accounting Standard 27 (TAS 27) "Separate Financial Statements".

In acoordance with Turkish Accounting Standard 28 (TAS 28) for "Investments in Associates and Joint Ventures" in the equity method, the book value of investment in associates and subsidiaries is reflected in the financial statements in proportion to the Bank's share of the net assets of these investments. The portion of the profit or loss of investment in associates and subsidiaries that are included in the Bank's share is accounted in the income statement of the Bank. The portion of the other comprehensive income that falls on the Bank's share is accounted in the other comprehensive income statement of the Bank.

V. Explanations on interest income and expenses

Interest income is recorded according to the effective interest rate method (rate equal to net present value of future cash flows or financial assets and liabilities) defined in the TFRS 9 "Financial Instruments" standard by applying the effective interest rate via accrual basis to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets.

If the financial asset is impaired and classified as a non-performing receivable, the Bank applies the effective interest rate on the amortized cost of the asset for subsequent reporting periods. Such interest income calculation is made on an individual contract basis for all financial assets subject to impairment calculation. It is used effective interest rate during calculation of loss given default rate in expected creditloss models and accordingly, the calculation of expected credit losses includes an interest amount.

Interest income and expenses are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest method (the rate that equalizes the future cash flows of financial assets and liabilities to the current net book value).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VI. Explanations on fees and commission income and expenses

Except for fees and commissions that are integral part of the effective interest rates of financial instruments measured at amortized costs, the fees and commissions are accounted for in accordance with TFRS 15 Revenue from Contracts with Customers. Except for certain fees related with certain banking transactions and recognized when the related service is given, fees and commissions received or paid, and other fees and commissions paid to financial institutions are accounted under accrual basis of accounting throughout the service period. Revenues obtained through contracts or through the purchase of assets for a third party real person or corporate person are recorded in the period when they occur.

VII. Explanations on financial assets

Initial recognition of financial instruments

Initial recognition of financial instruments the Bank shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets shall be recognized and derecognized, as applicable, using trade date accounting or settlement date accounting. Purchase and sale transactions of securities are accounted at the settlement date.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on the contractual conditions and the relevant business model. Except for the assets in the scope of TFRS 15 Revenue from contracts with customers, at initial recognition, the Bank measures financial asset or financial liabilities at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit/loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification of financial instruments

On which category a financial instruments shall be classified at initial recognition depends on both the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Assessment of business model

As per TFRS 9, the Bank's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The business model is not dependent on management's intentions for an individual financial instrument, so the requirement is not an instrument-based classification approach, but rather an aggregate valuation of financial assets. While assessing the business model used for the management of financial assets, all relevant evidence available at the time of the assessment is taken into account. Such evidence includes:

- How the performance of financial assets held within the scope of the business model and business model is reported to key management personnel,
- Risks affecting the performance of the business model (financial assets held within the scope of the business model), and in particular the way these risks are managed and
- How the additional payments to managers are determined (for example, whether the bonuses are based on the fair value of the assets managed or on the contractual cash flows collected).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VII. Explanations on financial assets (Continued)

The business model evaluation is not made on the basis of scenarios that the business does not reasonably expect to occur, such as "worst case" or "pressure case " scenarios. The fact that cash flows differed from expectations at the time the business model was evaluated does not require error correction in the financial statements or a change in the classification of other financial assets using the same business model, as long as all relevant information available at the date of the business model evaluation is taken into account. However, when evaluating the business model for newly created or newly acquired financial assets, information about how cash flows have been realized in the past, along with other relevant information, is also taken into account. The aforementioned business models consist of three categories. These categories are stated below:

- Business model whose aimed to hold assets in order to collect contractual cash flows: This is a business model whose objective is to hold assets in order to collect contractual cash flows are managed to realise cash flows by collecting contractual payments over the life of the instrument. Financial assets held under this business model are measured at amortized cost if the contractual terms of the financial asset pass the cash flow test, which includes only the principal and interest payments on the principal balance at specified dates.
- Business model whose aimed to hold assets in order to collect contractual cash flows and selling financial assets: Business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets held under this business model are accounted for at fair value through other comprehensive income if the contractual terms of the financial asset pass the cash flow test, which includes only the principal and interest payments on the principal balance on certain dates.

- Other business models: Financial assets are measured at fair value through profit or loss in case they are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Financial assets measured at fair value through profit/loss and derivative financial assets are assesed in this business model.

Contractual cash flows that include only principal and interest payments on the principal balance

As per TFRS 9, the Bank classifies a financial asset on the basis of its contractual cash flow characteristics if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assetsIn a basic lending agreement, the time value of money and the cost of credit risk are often the most important elements of interest. Judgment is used to assess whether that element simply pays for the passage of time, taking into account relevant factors such as the currency in which the financial asset is expressed and the period in which the interest rate applies. Where the terms of the contract begin to expose it to risks or volatility of cash flows that are inconsistent with a core lending agreement, the financial asset is measured at fair value through profit or loss.

Measurement categories of financial assets and liabilities

Financial assets are classified compliance with TFRS 9 in three main categories as listed below:

- Financial assets measured at fair value through profit/loss
- Financial assets measured at fair value through other comprehensive income and
- Financial assets measured at amortized cost

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VII. Explanations on financial assets (continued)

a. Financial assets at the fair value through profit or loss:

Financial assets at fair value through profit/loss are financial assets other than the ones that are managed with business model that aimed to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and in case of the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from shortterm fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at fair value through profit or loss are recorded with their fair values and are then valued with their fair values. Gains and losses resulting from the valuation are included in the profit/loss accounts. In accordance with the Uniform Chart of Accounts (THP) explanations, the positive difference between the acquisition cost and the discounted value of the financial asset is in "Interest Income", if the fair value of the asset is above the discounted value, the positive difference is calculated in the "Capital Market Transactions Profits" account. if the fair value is below the discounted value, the negative difference between the discounted value and the fair value is recorded in the "Capital Market Transactions Losses" account. In case the financial asset is disposed of before its maturity, the resulting gains or losses are accounted for on the same basis.

b. Financial Assets at Fair Value Through Other Comprehensive Income:

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates, they are classified as fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are measured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement.

"Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss" under shareholders' equity. Equity securities, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

During initial recognition an entity can choose in an irrevocable was to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss.

c. Financial Assets Measured at Amortized Cost:

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost. Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from financial assets measured at amortized cost is accounted in income statement.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VII. Explanations on financial assets (Continued)

c. Financial Assets Measured at Amortized Cost (Continued):

In the "Fair value through other comprehensive income" and "measured at amortized cost" securities portfolio of the Parent Bank, there are Consumer Price Indexed (CPI) Bonds.

These securities are valued and accounted according to the effective interest method based on the real coupon rates and the reference inflation index at the issue date and the estimated inflation rate. As stated in the Investor's Guide of CPI Government Bonds by Republic of Turkey Undersecretariat of Treasury the reference indices used to calculate the actual coupon payment amounts of these securities are based on the previous two months CPI's. The Parent Bank determines the estimated inflation rate accordingly.

d. Loans:

Loans are financial assets that have fixed or determinable payments terms and are not quoted in an active market. Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the "Effective Interest Rate (internal rate of return) Method". Duties paid, transaction costs and other similar expenses on assets received against such risks are considered as a part of transaction cost and charged to customers.

Turkish Lira ("TL") cash loans are composed of foreign currency indexed loans and working capital loans; foreign currency ("FC") cash loans are composed of investment loans, export financing loans and working capital loans.

All loans of the Bank has classified under Measured at Amortized Cost, after loan portfolio passed the test of " All cash flows from contracts are made only by interest and principal" during the transition period.

Foreign currency indexed loans are converted into TL from the foreign currency rate as of the opening date and followed in TL accounts. Repayments are measured with the foreign currency rate at the payment date, the foreign currency gains and losses are reflected to the income statement.

VIII. Explanations on impairment of financial assets

As of January 1, 2018, the Bank recognizes a loss allowance for expected credit losses on financial assets and loans measured at amortized cost, financial assets measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts not measured at fair value through profit/loss based on TFRS 9 and the regulation published in the Official Gazette no. 29750 dated 22 June 2016 in connection with "Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans".

At each reporting date, whether the credit risk on a financial instrument has increased significantly since initial recognition is assessed. The Bank considers the changes in the default risk of financial instrument, when making the assessment.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on impairment of financial assets (continued)

Calculation of expected credit losses

The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions. Risk parameters used in TFRS 9 calculations are included in the future macroeconomic information. While macroeconomic information is included, macroeconomic forecasting models and multiple scenarios used in the Internal Capital Assessment Process ("ICAAP") are considered.

Within the scope of TFRS 9, the probability of default (PD), Loss given default (LGD) and Exposure at default (EAD) models have been developed. The models developed under TFRS 9 are based on the following segmentation elements:

- Loan portfolio (corporate/specilization)
- Product type
- Credit risk rating notes (ratings)
- Colleteral type
- Duration since origination of a loan
- Remaining time to maturity
- Exposure at default

Probability of Default (PD): PD refers to the likelihood that a loan will default within a specified time horizon given certain characteristics. Based on TFRS 9, two different PDs are used in order to calculate expected credit losses:

- 12-month PD: as the estimated probability of default occurring within the next 12 months following the balance sheet date.
- Lifetime PD: as the estimated probability of default occurring over the remaining life of the financial instrument.

The Bank uses internal rating systems for loan portfolio. The internal rating models used include customer financial information and knowledge of survey responses based on expert judgement. Probability of default calculation has been carried out based on past information, current conditions and forward looking macroeconomic parameters.

Loss Given Default (LGD): If a loan default occurs, it represents the economic loss incurred on the loan. It is expressed as a percentage.

Exposure at Default (EAD): For cash loans, it corresponds to the amount of loan granted as of the reporting date. For non-cash loans and commitments, it is the value calculated through using credit conversion factors. Credit conversion factor corresponds to the factor which adjusts the potential increase of the exposure between the current date and the default date.

Financial assets are divided into three categories depending on the increase in credit risk observed since their initial recognition:

Stage 1:

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded in the amount of 12-month expected credit losses. 12-month expected credit loss is calculated based on a probability of default realized within 12 months after the reporting date. Such expected 12-month probability of default is applied on an expected exposure at default, multiplied with loss given default rate and discounted with the original effective interest rate.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on impairment of financial assets (continued)

Calculation of expected credit losses (continued)

Stage 2:

In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is determined on the basis of the instrument's lifetime expected credit losses. Calculation of expected credit losses is similar to descriptions above, but probability of default and loss given default rates are estimated through the life of the instrument.

Stage 3:

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized and interest revenue is calculated on the net carrying amount. The probability of default is taken into account as 100%.

The default assessment of the Bank is made according to the following conditions:

1. Objective Default Definition: It means debt having past due more than 90 days. Current definition of default in the Bank and its consolidated financial subsidiaries is based on a more than 90 days past due definition.
2. Subjective Default Definition: It means a debt is considered is unlikely to be paid. Whenever an obligor is considered is unlikely to pay its credit obligations, it should be considered as defaulted regardless of the existence of any past-due amount or of the number of days past due.

Debt instruments measured at fair value through other comprehensive income

The impairment requirements are applies for the recognition and measurement of a loss allowance for financial assets that are measured at fair value through other comprehensive income in accordance with TFRS 9. However, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position. The expected credit loss is reflected in other comprehensive income and the accumulated amount is recycled to statement of profit/loss following the derecognition of related financial asset.

Significant increase in credit risk

As of the reporting date, if the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance for that financial instrument is measured at an amount equal to 12-month expected credit losses. However, if there is a significant increase in credit risk of a financial instrument since initial recognition, the Bank measures loss allowance regarding such instrument at an amount equal to "lifetime expected credit losses".

The Bank makes qualitative and quantitative assessments regarding assessment of significant increase in credit risk of financial assets to be classified as stage 2 (Significant Increase in Credit Risk).

Within the scope of quantitative assessment, the quantitative reason explaining the significant increase in the credit risk is based on a comparison of the probability of default calculated at the origination of the loan and the probability of default assigned for the same loan as of the reporting date. If there is a significant deterioration in PD, it is considered that there is a significant increase in credit risk and the financial asset is classified as stage 2. In this context, the Bank has calculated thresholds at which point the relative change is a significant deterioration. When determining the significant increase in bank credit risk, The Bank also assessed the absolute change in the PD date on the transaction date and on the reporting date. If the absolute change in the PD ratio is above the threshold values, the related financial asset is classified as stage 2.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on impairment of financial assets (continued)

Calculation of expected credit losses (continued)

Significant increase in credit risk (continued)

The Bank classifies the financial asset as Stage 2 (Significant Increase in Credit Risk) where any of the following conditions are satisfied as a result of a qualitative assessment:

- Loans overdue more than 30 days as of the reporting date
- Loans classified as watchlist
- When there is a change in the payment plan due to restructuring

In the future expectations, 3 scenarios are used to be as base, bad and good. Final provisions are calculated by weighing on the possibilities given to the scenarios. Also for possible effects the Bank has established additional provisions for the sector and customers, which are considered to have a high impact on the expected credit loss calculations by making individual assessment for the risks that cannot be captured through the models.

IX. Explanations on offsetting, derecognition and restructuring of financial instruments

a. Offsetting of financial instruments

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and when the Bank has the intention of collecting or paying the net amount of related assets and liabilities or when the Bank has the right to offset the assets and liabilities simultaneously. Otherwise, there is not any offsetting transaction about financial assets and liabilities.

b. Derecognition of financial instruments

Derecognition of financial assets due to change in contractual terms

Based on TFRS 9, the renegotiation or modification of the contractual cash flows of a financial asset can lead to the derecognition of the existing financial asset. When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a "new" financial asset.

When the Bank assesses the characteristics of the new contractual terms of the financial asset, it evaluates the contractual cash flows including foreign currency rate changes, conversion to equity, counterparty changes and solely principal and interest on principle. When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, it is recalculated the gross carrying amount of the financial asset and recognized a modification gain or loss in profit or loss.

Where all risks and rewards of ownership of the asset have not been transferred to another party and the Bank retains control of the asset, the Bank continues to recognize the remaining portion of the asset and liabilities arising from such asset. When the Bank retains substantially all the risks and rewards of ownership of the transferred asset, the transferred asset continues to be recognized in its entirety and the consideration received is recognized as a liability.

Derecognition of financial assets without any change in contractual terms

The asset is derecognized if the contractual rights to cash flows from the financial asset are expired or the related financial asset and all risks and rewards of ownership of the asset are transferred to another party. Except for equity instruments measured at fair value through other comprehensive income, the total amount consisting of the gain or loss arising from the difference between the book value and the amount obtained and any accumulated gain directly accounted in equity shall be recognized in profit/loss.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

IX. Explanations on offsetting, derecognition and restructuring of financial instruments (continued)

b. Derecognition of financial instruments (continued)

Derecognition of financial liabilities

It shall be removed a financial liability (or a part of a financial liability) from the statement of financial position when, and only when, it is extinguished when the obligation specified in the contract is discharged or cancelled or expires.

c. Reclassification of financial instruments

Based on TFRS 9, the Bank shall reclassify all affected financial assets at amortised cost to financial assets measured at fair value through other comprehensive income and fair value through profit or loss in the subsequent accounting when, and only when, it changes its business model for managing financial assets. The Bank's reclassification details of financial assets are presented in Section Three, Note VII.

d. Restructuring and refinancing of financial instruments

The Bank may change the original contractual terms of a loan (maturity, repayment structure, guarantees and sureties) which were previously signed, in case the loan cannot be repaid or if a potential payment difficulty is encountered based on the new financing power and structure of the borrower.

Restructuring is to change the financial terms of existing loans in order to facilitate the payment of debt. Refinancing is granting a new loan by the Bank which will cover either the principal or the interest payment in whole or in part of one or a few existing loans due to the anticipated financial difficulty which the customer or bank currently or will encounter in the future. Changes in the original terms of a credit risk can be made in the current contract or through a new contract.

Resturected Loans can be classified in standart loans unless the firm has difficulty in payment. Companies which have been restructured and refinanced can be removed from the watchlist when the following conditions are met:

- Subsequent to the through review of company's financial data and its owners' equity position, at circumstances when it is not anticipated that the owner of the company will face financial difficulties; and it is assessed that the restructured debt will be paid on time (starting from the date when the debt is restructured all due principal and interest payments are made on time).
- At least 2 years should pass over the date of restructuring (or if it is later), the date of removal from non-performing loan category, at least 10% (or the ratio specified in the legislation) of the total principal amount at the time restructuring/refinancing shall be paid and no overdue amount (principal and interest) shall remain at the date of restructuring/refinancing.

In order for the restructured non-performing loans to be classified to the watchlist category, the following conditions must be met in accordance with the relevant regulations:

- Recovery in debt service
- At least one year should pass over the date of restructuring
- Payment of all accrued and overdue amounts by debtor (interest and principal) since the date of restructuring/refinancing or the date when the debtor is classified as nonperforming (earlier date to be considered) and fulfillment of the payment condition of all overdue amounts as of the date of restructuring/refinancing
- Collection of all overdue amounts, disappearance of the reasons for classification as nonperforming receivable (based on the conditions mentioned above) and having no overdue more than 30 days as of the date of reclassification

During the follow-up period of at least two years following the date of restructuring/refinancing, if there is a new restructuring/refinancing or a delay of more than 30 days, the transactions which were non-performing at the beginning of the follow-up period are classified as non-performing loans again.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

X. Explanations on sales and repurchase agreements and lending of securities

Funds provided under repurchase agreements are accounted under "Funds Provided under Repurchase Agreements-TL" and "Funds Provided under Repurchase Agreements-FC" accounts. The repurchase agreements of the Bank are based on the Eurobonds and government bonds issued by Republic of Turkey Undersecretariat of Treasury. Marketable securities subject to repurchase agreements are classified under assets at fair value through profit or loss, assets at fair value through other comprehensive income or assets at measured at amortized costs with parallel to classifications of financial instruments.

The income and expenses from these transactions are reflected to the interest income and interest expense accounts in the income statement. Receivables from reverse repurchase agreements are recorded in "Receivables from Reverse Repurchase Agreements" account in the balance sheet.

XI. Explanations on assets held for sale and discontinued operations

Assets held for sale are measured at the lower of the assets' carrying amount and fair value less costs to sell. These assets are not amortized and presented separately in the financial statements. In order to classify a tangible fixed asset as held for sale, the asset (or the disposal group) should be available for an immediate sale in its present condition subject to the terms of any regular sales of such asset (or such disposal groups) and the sale should be highly probable. For a highly probable sale, the appropriate level of management must be committed to a plan to sell the asset (or the disposal groups), and an active programme to complete should be initiated to locate a customer. Also, the asset (or the disposal group) should have an active market sale value, which is a reasonable value in relation to its current fair value. Also, the sale is expected to be accounted as a completed sale beginning from one year after the classification date; and the essential procedures to complete the plan should indicate the possibility of making significant changes on the plan or lower probability of cancelling.

Events or circumstances may extend the completion of the sale more than one year. Such assets are still classified as held for sale if there is sufficient evidence that the delay in the sale process is due to the events and circumstances occured beyond the control of the entity or the entry remains committed to its plan to sell the asset (or disposal group).

A discontinued operation is a component of a bank that either has been disposed of, or is classified as held for sale. Gains or losses relating to discontinued operations are presented separately in the income statement.

XII. Explanations on goodwill and other intangible assets

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the subsidiary or jointly controlled interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.As of reporting date, The Bank has no goodwill on the unconsolidated financial statements.

Intangible assets that are acquired prior to 1 January 2005 are carried at restated historical cost as of December 31, 2004; and those acquired subsequently are carried at cost less accumulated amortization, and any impairment. Intangible assets are depreciated on a straight line basis over their expected useful lives. Depreciation method and period are reviewed periodically at the end of each year. Intangible assets are mainly composed of rights and they are depreciated principally on a straight-line basis between 1-15 years.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIII. Explanations on tangible assets

Tangible assets rather than real estate, purchased before 1 January 2005, are accounted for at their restated costs as of December 31, 2004 and the assets purchased in the following periods are accounted for at acquisition cost less accumulated depreciation and reserve for impairment. Gain or loss resulting from disposals of the tangible assets is reflected to the income statement as the difference between the net proceeds and net book value. Normal maintenance and repair expenditures are recognized as expense.

As of the third quarter of 2015, the Bank changed its accounting policy and adopted revaluation method on annual basis under scope of Standard on Tangible Fixed Assets (TAS 16) with respect to valuation of immovable included in its building and lands. The amortization periods of real estates are specified in the appraisal's report. In case of the cost of tangible assets over the net realizable value estimated under the "Turkish accounting standards for impairment of assets" (TAS 36), the value of the asset is reduced to its "net realizable value" and are reserved impairment provision associated with expense accounts. The positive difference between appraisement value and net book value of the property is accounted under shareholder' equity. Related valuation models such as cost model, market value and discounted cash flow projections approaches are used in valuation of real estates. There is no pledge, mortgage or any other lien on tangible assets. Tangible assets are depreciated with straight-line method and their useful lives are determined in accordance with the Turkish Accounting Standards.

The positive difference between the real estate values in the revised appraisal reports prepared by licensed valuation companies in 2023 and the net book value of the relevant real estates is followed in the equity.

Depreciation rates and estimated useful lives of tangible assets are as follows:

Tangible Assets	Expected Useful Lives (Years)	Depreciation Rate (%)
Cashvault	4-50	2-25
Vehicles	5	20
Buildings	50	2
Other Tangible Assets	1-50	2-100

XIV. Explanations on leasing transactions

TFRS 16 Leases

TFRS 16 Leasing standard abolishes the dual accounting model currently applied for lessees through recognizing finance leases in the balance sheet whereas not recognizing operational lease.

Instead, it is set forth a single model similar to the accounting of financial leases (on balance sheet). For lessors, the accounting stays almost the same. The Bank has started to apply "TFRS 16 Leases" Standard starting from 1 January 2019.

The Bank has applied TFRS 16 with a simplified retrospective approach. The new accounting policies of the Bank regarding to application TFRS 16 are stated below:

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIV. Explanations on leasing transactions (continued)

Right-of-use assets

The Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes:

(a) the amount of lease liabilities recognized,

(b) lease payments made at or before the commencement date less any lease incentives received and

(c) initial direct costs incurred.

Unless the Bank is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

At the commencement date of the lease, Lease payments included in the measurement of the lease liability consist of the following payments for the right to use the underlying asset during the lease term, which are not paid at the commencement date of the lease:

a) Fixed payments,

b) Variable lease payments that depend on an index or a rate,

c) Amounts expected to be paid under residual value guarantees,

d) The exercise price of a purchase option reasonably certain to be exercised by the Company/the Group and payments of penalties for terminating a lease and

e) If the lease term reflects the Company/the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company/the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the effective date of the lease, the Bank measures the lease obligation as follows:

a) The book value is increased to reflect the accretion of interest of lease liabilities and

b) The book value is reduced to reflect the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIV. Explanations on leasing transactions (continued)

Short-term leases and leases of low-value assets

The Bank applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

XV. Explanations on provisions and contingent liabilities

Provisions are recognized when there is a present obligation due to a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If aforesaid criteria did not form, the Bank discloses the issues mentioned in notes to financial statements.

Explanations on contingent assets

Provisions are determined by using the Bank's best expectation of expenses in fulfilling the obligation, and discounted to present value if material. Contingent assets consist of unplanned or other unexpected events that usually cause a possible inflow of economic benefits to the Bank. Since recognition of the contingent assets in the financial statements would result in the accounting of an income, which may never be generated, the related assets are not included in the financial statements; on the other hand, if the inflow of the economic benefits of these assets to the Bank is probable, an explanation is made thereon in the footnotes of the financial statements. Nevertheless, the developments related to the contingent assets are constantly evaluated and in case the inflow of the economic benefit to the Bank is almost certain, the related asset and the respective income are recognized in the financial statements of the period in which the change occurred. Severance pay according to the current laws and collective bargaining agreements in Turkey, is paid in case of retirement or dismissal.

XVI. Explanations on liabilities regarding employee benefits

Bank calculates a provision for severance pay to allocate that employees need to be paid upon retirement or involuntarily leaving by estimating the present value of probable amount. There is no indemnity obligations related to the employees who are employed with contract of limited duration exceeding 12 month period. Actuarial gains and losses are accounted under Shareholder's Equity since 1 January 2013 in accordance with the Revised TAS 19. Employees of the Bank are members of "Türkiye Sınai Kalkınma Bankası Anonim Şirketi Memur ve Müstahdemleri Yardım ve Emekli Vakfı" and "Türkiye Sınai Kalkınma Bankası A.Ş. Mensupları Munzam Sosyal Güvenlik ve Yardımlaşma Vakfı" ("the Pension Fund"). Technical financial statements of those funds are subject to audit in accordance with the Insurance Law and provisions of "Regulations on Actuaries" issued based on the related law by an actuary registered in the Actuarial Registry.

A temporary article published in the Official Gazette No. 32121 dated March 3, 2023 was added to the Social Insurance and General Health Insurance Law dated May 31, 2006 and numbered 5510. In the provisional article in question, "Those who request for monthly bonding after the effective date shall be entitled to old-age or pension in accordance with the provisions of subparagraph (B) of the first paragraph of the provisional Article 81 of the Law No. 506, the second paragraph of the provisional Article 10 of the Law No. 1479, the subparagraph (B) of the first paragraph of the provisional Article 2 of the Law No. 2925 and the provisional Article 205 of the Law No. 5434, they shall benefit from old-age or pension if they meet other conditions other than age in the said provisions. No retrospective payment shall be made on the basis of this paragraph and no retrospective rights shall be claimed." In this context, the members of the pension fund have the opportunity to retire early as of April 1, 2023. This change has no significant impact on the Bank's financials and funds.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVI. Explanations on liabilities regarding employee benefits (Continued)

Paragraph 1 of the provisional Article 23 of the Banking Act ("Banking Act") No: 5411 published in the Official Gazette No: 25983 on 1 November 2005 requires the transfer of banking funds to the Social Security Institution within 3 years as of the enactment date of the Banking Act. Under the Banking Act, in order to account for obligations, actuarial calculations will be made considering the income and expenses of those funds by a commission consisting of representatives from various institutions. Such calculated obligation shall be settled in equal instalments in maximum 15 years. Nonetheless, the related Article of the Banking Law was annulled by the Constitutional Court's decision No: E. 2005/39 and K. 2007/33 dated March 22, 2007 that was published in the Official Gazette No: 26479 on 31 March 2007 as of the release of the related decision, and the execution of this article was cancelled as of its publication of the decision and the underlying reasoning for the cancellation of the related article was published in the Official Gazette No: 26731 on 15 December 2007.

After the publication of the reasoning of the cancellation decision of the Constitutional Court, articles related with the transfer of banks pension fund participants to Social Security Institution based on Social Security Law numbered 5754 were accepted by the Grand National Assembly of Turkey on 17 April 2008 and published in the Official Gazette No: 26870 on 8 May 2008.

Present value for the liabilities of the transferees as of the transfer date would be calculated by a commission that involves representatives of Social Security Institution, Ministry of Finance, Turkish Treasury, State Planning Organization, BRSA, SDIF, banks and banks' pension fund institutions and technical interest rate, used in actuarial account, would be 9,80%. If salaries and benefits paid by the pension fund of banks and income and expenses of the pension funds in respect of the insurance branches, stated in the Law, exceeds the salaries and benefits paid under the regulations of Social Security Institution, such differences would be considered while calculating the present value for the liabilities of the transferees and the transfers are completed within 3 years beginning from 1 January 2008.

According to the provisional Article 20 of 73rd article of Law No. 5754 dated 17 April 2008, has become effective on 8 May 2008 and was published in the Official Gazette No: 26870, transfer of Pension Funds to Social Security Institution in three years has been anticipated. With the amendment in the first paragraph of the temporary article 20 of the Social Security and General Health Insurance Law No. 5510 published in the Official Gazette dated March 8, 2012 and numbered 28227, the 2-year postponement authority given to the Council of Ministers was increased to 4 years. It has been resolved that the transfer process has been extended two years with Council of Ministers' Decree, has become effective on 9 April 2011 and was published in the Official Gazette No: 27900. The transfer had to be completed until 8 May 2013. Accordingly, it has been resolved that, one more year extension with Council of Ministers Decree No: 2013/467, has become effective on 3 May 2013 and was published in the Official Gazette No: 28636 and transfer needs to be completed until 8 May 2014. However, it has been decided to extend the time related to transfer by the decision of Council of Minister published in the Official Gazette No. 28987 dated 30 April 2014 for one more year due to not realizing the transfer process.

In accordance with the Health and Safety Law numbered 6645 which became effective on 4 April 2015 and published in the Official Gazette No: 29335 and dated 23 April 2015 and together with some amendments and statutory decree, Council of Ministers authorized for the determination of transfer date to the Social Security institution and the transfer of Pension Fund was postponed to an unknown date.

This authority has passed to the President by Decree Law No. 703 published in the Official Gazette No. 30473 dated July 9, 2018. Unmet social benefits and payments of the pension fund participants and other employees that receive monthly income although they are within the scope of the related settlement deeds would be met by pension funds and the institutions employ these participants after the transfer of pension funds to the Social Security Institution.

The present value of the liabilities, subject to the transfer to the Social Security Institution, of the Pension Fund as of December 31, 2024 has been calculated by an independent actuary in accordance with the actuarial assumptions in the Law and as per actuarial report dated 22 January 2025. There is no need for technical or actual deficit to book provision as of December 31, 2024. In addition, the Bank's management anticipates that any liability that may come out during the transfer period and after, in the context expressed above, would be financed by the assets of the Pension Fund and would not cause any extra burden on the Bank.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVII. Explanations on taxation

Corporate tax is the sum of current tax expense and deferred tax income or expense.

Current year tax liability is calculated over the taxable portion of the profit for the period. Taxable profit is calculated taking into account items of income or expense that are taxable or deductible, and items that are not taxable or deductible. Taxable profit therefore differs from the profit reported in the income statement.

With the Law submitted on July 5, 2023 and published in the Official Gazette dated July 15, 2023, amendments were made to the Corporate Tax Law No. 5520. Accordingly; Starting from the declarations to be submitted as of October 1, 2023, the corporate tax rate has been increased from 30% for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

In the financial statements dated 31 December 2024, 30% was used as the tax rate in the period tax calculations.

In addition, with the amendment to the law, the tax exemption specified for real estate sales profits has been abolished, and the corporate tax exemption rate to be applied to the profits obtained from the sales of real estates included in the assets of the enterprises before July 15, 2023 will be applied as 25%.

Amendments were made to the Corporate Tax Law No. 5520 with the Law published in the Official Gazette dated 27 November 2024. Accordingly; The Corporate Tax exemption rate applied to the profits arising from the sale of participation shares that have been in the assets of corporations for at least two full years, as well as founder's shares, usufruct shares, pre-emptive rights and participation shares of investment funds that they have held for the same period, has been rearranged as 50%.

The entirety of the income earned from the transfer of real estate, participation shares, founder bonds, dividend shares and pre-emptive rights owned by institutions that are subject to legal proceedings due to their debts to banks, financial leasing or financing companies or that are indebted to the Savings Deposit Insurance Fund, and their guarantors and mortgagees to banks, financial leasing or financing companies or to this Fund in return for these debts, and the portion of the income earned from the sale of real estate from the said assets obtained by banks, financial leasing or financing companies in this way, and the portion of the income earned from the sale of others, are exempted from corporate tax at 50%, 75% of the profits arising from the sale of others are exempt from corporate tax.

With the Presidential Decree published in the Official Gazette dated 22 December 2024 and numbered 32760, the withholding rate applied to dividends was changed from 10% to 15%. Based on this regulation, the current withholding rate is taken into account in dividend payments made to individuals and limited taxpayer institutions, taking into account the Double Taxation Avoidance Agreements.

Turkey has put into effect the Domestic Minimum Corporate Tax with the laws published in the Official Gazette dated August 2, 2024. This tax will be applied as of the 2025 accounting period. "The institution of the Minimum Corporate Tax has been introduced with Law No. 7524, and a regulation has been made regarding the corporate tax calculated within this scope cannot be less than 10% of the corporate income before deductions and exemptions. The regulation will enter into force on the date of publication to be applied to the corporate income of the 2025 taxation period. In addition, the Corporate Tax General Communiqué No. 23 has been published on the subject. Since it will be valid as of 2025, it will not affect the current period tax expense in the financials dated December 31, 2024.

Turkey has started to adopt the OECD's Global Minimum Supplementary Corporate Tax regulations (Pillar 2) with a Bill submitted to the Turkish Grand National Assembly on July 16, 2024. These regulations entered into force with the laws published in the Official Gazette on August 2, 2024. The practice in Turkey is largely compatible with the OECD's Pillar 2 Model Rules and shows similarities in terms of scope, exemptions, consolidation, tax calculations and declaration periods. The secondary regulation regarding the calculation details and application method has not been published yet. In the preliminary assessments made by considering the regulations published by the OECD, it is assessed that the said regulations will not have any impact on the financials.

Within the scope of Article 298 of the Tax Procedure Code, it is stipulated that if the increase in the producer price index is more than 100% in the last 3 accounting periods including the current period and more than 10% in the current accounting period, the financial statements will be subject to inflation adjustment and these conditions have been fulfilled as of December 31, 2021.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVII. Explanations on taxation (Continued)

However, the Law No. 7352 "On the Amendment of the Tax Procedure Law and the Corporate Tax Law" published in the Official Gazette dated January 29, 2022 and numbered 31734 and the provisional Article 33 were added to the Tax Procedure Law No. 213 and the accounting periods of 2021 and 2022, including the temporary tax periods (as of the accounting periods ending in 2022 and 2023 for those who were assigned special accounting periods) and the 2023 accounting period within the scope of Article 298 It has been enacted that the financial statements will not be subject to inflation adjustment regardless of whether the conditions for inflation adjustment have occurred or not, and that the financial statements dated December 31, 2023 will be subject to inflation adjustment regardless of whether the conditions for inflation adjustment have occurred or not, and that the profit/loss differences arising from the inflation adjustment will be shown in the profit/loss account of previous years.December 28, 2023 and published in the Official Gazette No. 32413, Some Laws and Decrees with the Force of Law No. 7491 on the Amendment of the Law No. 17, Banks, companies in accordance with the Law on Financial Leasing, Factoring, Financing and Savings Financing Companies dated November 21, 2012 and No. 6361, payment and electronic money institutions, authorized exchange institutions, asset management companies, the Law on Financial Leasing, Factoring, Financing and Savings Financing Companies, pay and electronic money institutions, asset management companies, it has been enacted that profit/loss differences arising from the inflation adjustment to be made by capital market institutions, insurance and reinsurance companies and pension companies in the accounting periods of 2024 and 2025, including temporary tax periods, will not be taken into account in the determination of earnings. The President is authorized to extend the periods determined within the scope of this paragraph up to an accounting period, including temporary tax periods.

With the Communiqué on the Amendment to the General Communiqué on Tax Procedure Law No. 547 (sequence No. 537) published in the Official Gazette dated January 14, 2023 and numbered 32073, the procedures and principles of the articles of the law allowing revaluations of immovables and depreciable economic assets have been reorganized. Accordingly, the Bank has subjected some of its assets on its balance sheet to revaluation until September 30, 2023, provided that it meets the conditions set out in the Provisional Article 32 of the Tax Procedure Code and the provisions of the Duplicate article 298/ç. As December 31, 2023, the revaluation has not been applied as of December 31, 2023 due to the fact that the financial statements are subject to inflation adjustment as of December 31, 2023. In this context, corporate tax is calculated by taking into account the depreciation allocated on the values of the revalued assets subject to revaluation until the period of September 30, 2023.

Deferred tax liability or asset is determined by calculating the tax effects of temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of the legal tax base according to the balance sheet method, taking into account the legal tax rates.

According to the Provisional Article 33 of the Tax Procedure Law, in the financial statements dated 31 December 2024, the tax effects arising from the subject of inflation correction of the corporate tax are included in the deferred tax calculation as of 31 December 2024.

Deferred tax is recognized for Stage 1 and Stage 2 expected loss provisions.

Except for goodwill or business combinations, deferred tax liability or asset is not calculated for temporary timing differences arising from the initial recognition of assets or liabilities and which do not affect both commercial and financial profit or loss.

The carrying amount of deferred tax asset is reviewed as of each balance sheet date. Carrying value of deferred tax asset is reduced to the extent that it is not probable that a taxable profit will be obtained to allow some or all of the deferred tax asset to be benefited. Deferred tax is calculated over the tax rates valid in the period when assets are created or liabilities are fulfilled and recorded as expense or income in the income statement.

However, if the deferred tax is related to assets directly associated with equity in the same or a different period, it is directly associated with the equity account group. Deferred tax receivables and liability are netted off.

Pursuant to Article 53 of the Banking Law dated October 19, 2005 and numbered 5411, all of the special provisions set aside for loans and other receivables are taken into account as an expense in the determination of the corporate tax base in the year they are allocated pursuant to the second paragraph of the same article.

Transfer pricing

Transfer pricing is regulated through article 13 of Corporate Tax Law titled "Transfer Pricing Through Camouflage of Earnings". Detailed information for the practice regarding the subject is found in the "General Communiqué Regarding Camouflage of Earnings Through Transfer Pricing". According to the aforementioned regulations, in the case of making purchase or sales of goods or services with relevant persons/corporations at a price that is determined against "arm's length principle", the gain is considered to be distributed implicitly through transfer pricing and such distribution of gains is not subject to deductions in means of corporate tax.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVIII. Additional explanations on borrowings

The Bank borrows funds from domestic and foreign institutions borrowing from the money market and issues marketable securities in domestic and foreign markets when needed.

The funds borrowed are recorded at their purchase costs and valued at amortized costs using the effective interest method. Some of the securities issued by the Bank and resources used with fixed interest rates are subject to fair value hedge accounting. While the credit risk and rediscounted accumulated interest on hedging liabilities are recorded in the income statement under the interest expense, the credit risk and net amount excluding accumulated interest results from hedge accounting are accounted in the income statement under the derivative financial instruments gains/losses by fair value.

XIX. Explanations on share certificates issued

In accordance with the decision taken at the Ordinary General Assembly meeting held on March 28, 2024, 5% of the net profit for 2023 was allocated as a legal reserve, TL 997.000 was allocated to a special fund for the purpose of receiving venture capital investment funds, and the remaining portion was allocated as an extraordinary reserve fund.

In accordance with the decision taken at the Ordinary General Assembly meeting held on March 28, 2023 in the previous period, It was approved that 5% of the net profit for the year be set aside as legal reserve fund, 145.288 TL be set aside as a special fund for the purpose of purchasing venture capital investment funds and the remaining portion be set aside as extraordinary reserve fund.

XX. Explanations on acceptances

Acceptances are realized simultaneously with the payment dates of the customers and they are presented as commitments in the off-balance sheet accounts.

XXI. Explanations on government incentives

The Bank does not use government incentives.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XXII. Explanations on segment reporting

In accordance with its mission, the Bank mainly operates in corporate and investment banking segments. The corporate banking is serving financial solutions and banking services for its medium and large-scale corporate customers. Services given to corporate customers are; investment credits, project financing, TL and foreign exchange operating loans, letters of credit, letters of guarantees and foreign trade transaction services covering letters of guarantee with external guarantees.

Income from the activities of investment banking includes income from the operations of Treasury and Corporate Finance. Under the investment banking activities, portfolio management for corporate, marketable securities intermediary activities, cash flow management and all types of corporate finance services is provided. The segmental allocation of the Bank's net profit, total assets and total liabilities are shown below.

Current Period	**Corporate Banking**	**Investment Banking**	**Other**	**Total**
Net Interest Income	5.384.395	9.720.542	-	15.104.937
Net Fees and Commission Income	205.319	301.873	6.681	513.873
Other Income	389.929	-	2.785.403	3.175.332
Other Expense	(916.948)	(2.291.927)	(1.906.299)	(5.115.174)
Profit Before Tax	5.062.695	7.730.488	885.785	13.678.968
Tax Provision				(3.544.369)
Net Profit				**10.134.599**
Current Period				
Segment Assets	158.390.390	57.260.853	6.188.348	221.839.591
Investment in Associates and Subsidiaries	-	-	9.420.766	9.420.766
Total Assets	**158.390.390**	**57.260.853**	**15.609.114**	**231.260.357**
Segment Liabilities	186.363.381	3.280.524	9.137.663	198.781.568
Shareholders' Equity	-	-	32.478.789	32.478.789
Total Liabilities	**186.363.381**	**3.280.524**	**41.616.452**	**231.260.357**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

Prior Period	Corporate Banking	Investment Banking	Other	Total
Net Interest Income	5.531.142	4.703.258	-	10.234.400
Net Fees and Commission Income	172.909	272.845	7.457	453.211
Other Income	182.988	1.698.299	1.951.886	3.833.173
Other Expense	(3.353.789)	(135.988)	(1.738.784)	(5.228.561)
Profit Before Tax	2.533.250	6.538.414	220.559	9.292.223
Tax Provision				(2.250.746)
Net Profit				**7.041.477**
Prior Period				
Segment Assets	121.922.873	44.854.847	3.603.999	170.381.719
Investment in Associates and Subsidiaries	-	-	6.502.318	6.502.318
Total Assets	**121.922.873**	**44.854.847**	**10.106.317**	**176.884.037**
Segment Liabilities	145.121.291	2.481.059	7.870.017	155.472.367
Shareholders' Equity	-	-	21.411.670	21.411.670
Total Liabilities	**145.121.291**	**2.481.059**	**29.281.687**	**176.884.037**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations related to shareholders' equity

The capital adequacy standard ratio has been calculated in accordance with the Regulation on Equity of Banks, the Regulation on Measurement and Assessment of Capital Adequacy of Banks and the BRSA decision numbered 10747 dated 12 December 2023. Within the framework of the said board decision, the amount subject to credit risk has been calculated using the foreign exchange buying rates of the Central Bank of the Republic of Turkey as of 26 June 2023, while the equity item has been calculated without taking into account the negative net valuation differences of the securities acquired on or before 1 January 2024 and included in the "Securities at Fair Value Through Other Comprehensive Income" portfolio. The Bank's capital adequacy standard ratio calculated as of 31 December 2024 is 26,86% (31 December 2023: 26,16%).

	Current Perid	Prior Period
CORE EQUITY TIER 1 CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	2.800.374	2.800.374
Share premiums	-	-
Reserves	15.053.976	8.012.499
Other comprehensive income according to TAS	4.906.986	3.893.135
Profit	10.134.599	7.041.477
Current Period Profit	10.134.599	7.041.477
Prior Period Profit	-	-
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	-	-
Core Equity Tier 1 Capital Before Deductions	**32.895.935**	**21.747.485**
Deductions from Core Equity Tier 1 Capital		
Valuation adjustments calculated as per the 1st clause of article 9.(i) of the Regulation on Bank Capital	-	-
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS	264.041	233.573
Leasehold improvements on operational leases	5.563	3.285
Goodwill (net of related tax liability)	-	-
Other intangible assets other than mortgage-servicing rights (net of related tax liability)	5.985	5.295
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to shareholders' equity (Continued)

Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Net amount of defined benefit plans	-	-
Investments in own common equity	-	-
Shares obtained against article 56, paragraph 4 of Banking Law	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank does not own 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I capital	1.112.437	765.827
Mortgage servicing rights not deducted	-	-
Excess amount arising from deferred tax assets from temporary differences	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from deferred tax assets from temporary differences	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions from Tier I capital in cases where there are no adequate additional Tier I or Tier II capitals	-	-
Total Regulatory Adjustments to Tier 1 Capital	**1.388.026**	**1.007.980**
Core Equity Tier I Capital	**31.507.909**	**20.739.505**
ADDITIONAL TIER 1 CAPITAL		
Preferred Stock not Included in Core Equity and the Related Share Premiums	-	-
Debt instruments and the related issuance premiums defined by the BRSA	10.519.950	5.871.100
Debt instruments and the related issuance premiums defined by the BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	**10.519.950**	**5.871.100**
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier 1 capital	-	-
The total of net long position of the direct or indirect investments in additional Tier 1 capital of unconsolidated banks and financial institutions where the bank owns more than 10% of the issued share capital	-	-
Other items to be defined by the BRSA	-	-
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Core Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Core Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to shareholders' equity (continued)

Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	**-**	**-**
Total Additional Tier I Capital	**10.519.950**	**5.871.100**
Total Tier I Capital (Tier I Capital=Core Equity Tier I Capital+Additional Tier I Capital)	**42.027.859**	**26.610.605**
TIER II CAPITAL		
Debt instruments and the related issuance premiums defined by the BRSA	**-**	**-**
Debt instruments and the related issuance premiums defined by the BRSA (Temporary Article 4)	**-**	**-**
Provisions (Article 8 of the Regulation on the Equity of Banks)	1.837.994	1.203.894
Tier II Capital Before Deductions	**1.837.994**	**1.203.894**
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Common Equity Tier I capital (-)	-	-
Total of net long positions of the investments in Tier II Capital items of unconsolidated banks and financial institutions where the bank owns 10% or more of the issued share capital	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	**-**	**-**
Total Tier II Capital	**1.837.994**	**1.203.894**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**43.865.853**	**27.814.499**
Deductions from Total Capital		
Loans granted against the articles 50 and 51 of the banking law	-	-
Net book values of movables and immovables exceeding the limit defined in the article 57, clause 1 of the Banking law and the assets acquired against overdue receivables and held for sale but retained more than five years	-	-
Other items to be defined by the BRSA	-	-
Items to be Deducted from sum of Tier I and Tier II (Capital) during the Transition Period		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking and financial entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier I capital, Additional Tier I capital, Tier II capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier I capital and Tier II capital of banking, and financial entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier I capital, Additional Tier I capital, Tier II capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking and financial entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Core Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to shareholder's equity (continued)

CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	43.865.853	27.814.499
Total Risk Weighted Assets	163.286.711	106.339.113
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	19,30	19,50
Tier I Capital Adequacy Ratio (%)	25,74	25,02
Capital Adequacy Ratio (%)	26,86	26,16
BUFFERS		
Total buffer requirement	2.509	2.504
a. Capital conservation buffer requirement (%)	2.500	2.500
b. Bank specific counter-cyclical buffer requirement (%)	0.009	0.004
c. Systematic significant buffer (%)	-	-
The ratio of Additional Core Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to risk weighted assets	14,80	15,00
Amounts below the Excess Limits as per the Deduction Principles		
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital	-	-
Total of net long positions of the investments in Tier I capital of unconsolidated banks and financial institutions where the bank owns more than 10% or less of the issued share capital	3.262.035	2.150.533
Remaining mortgage servicing rights	-	-
Excess amount arising from deferred tax assets from temporary differences	-	-
Limits Related to Provisions Considered in Tier II Calculation		
General reserves for receivables where the standard approach used (before tenthousandtwentyfive limitation)	4.964.758	5.270.605
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	1.837.994	1.203.894
Excess amount of total provision amount to credit risk amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4		
(to be implemented between 1 January 2018 and 1 January 2022)	-	-
Upper limit for Additional Tier I Capital subjected to Temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to Temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to Temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to Temporary Article 4	-	-

Explanations on the reconciliation between amounts related to equity items and on balance sheet

There are no differences between the amounts related to equity items and on balance sheet figures.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to consolidated shareholders' equity (continued)

Information on debt instruments to be included in the equity calculation

Issuer	Türkiye Sınai Kalkınma Bankası A.Ş.
Unique identifier (eg CUSIP, ISIN etc.)	XS2778918834 US90015YAF60
Governing law(s) of the instrument	Regulation on Equity of Banks (Official Gazette Date: 05.09.2013 Official Gazette Number: 28756) Capital Markets Board Debt Instruments Communiqué VII-128.8 (Official Gazette Date: 07.06.2013 Official Gazette Number: 28670)
Consideration in Equity Calculation	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and/or consolidated basis	Eligible on unconsolidated and consolidated
Instrument type	included in the additional Tier 1 capital calculation bond issue
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date - Million USD)	300
Par value of instrument (Million USD)	300
Accounting classification	347001 (Liability) - Subordinated Debt Instruments
Original date of issuance	21 March 2024
Perpetual or dated	Undated
Original starting and maturity date	21 March 2024
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	There is an refund payment option for the first 5 years (after the 5th year) on 21 March 2029.
Subsequent call dates, if applicable	After the 5th year, the relevant option can be used. If not used after the 5th year, Available for every 5th Anniversary.
Interest/dividend payments	
Fixed or floating dividend/coupon	Fixed/semiannualy coupon payment, principal payment at the maturity
Coupon rate and any related index	9,75%
Existence of a dividend stopper	Yes
Fully discretionary, partially discretionary or mandatory	Partly optional.
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, specify instrument type convertible into	None
If convertible, specify issuer of instrument it converts into	None
Write-down feature	
If write-down, write-down trigger(s)	None.
If write-down, full or partial	Full and Partial
If write-down, permanent or temporary	Permanent and temporary
If temporary write-down, description of write-up mechanism	None.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After contribution capitals
In compliance with article number 7 and 8 of "Own fund regulation"	It has the conditions set forth in Article 7. It does not meet the conditions stated in Article 8.
Details of incompliances with article number 7 and 8 of "Own fund regulation"	It has the conditions set forth in Article 7. It does not meet the conditions stated in Article 8.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk

The sectoral breakdown of loans is documented monthly and limitations are made according to evaluations. There is no limitation applied geographically. Monitoring and checking are made for the treasury operations. Risk limits are identified for the operations implemented.

The credit monitoring department screens the creditworthiness of loan customers once every six months regularly. The debtors' creditworthiness is screened regularly in accordance with the related legislation. Their financial statements are obtained as prescribed in the legislation. The credit limits have been set by the Board of Directors, the Banks credit committee and the credit management. The Bank takes enough collateral for the loans and other receivables extended. The collaterals obtained consist of personal suretyship, mortgage, cash blockage and client checks.

Limits have also been set for transactions with banks. Credit risks are managed on the counterparty's creditworthiness and limits.

The definitions of overdue and impaired loans and information related to impairment and provisions are provided in Section Four, Note X.

Total amount of exposures after offsetting transactions but before applying risk mitigations and the average exposure amounts that are classified in different risk groups and types

	Current Period		Prior Period	
	Risk Amount	Average Risk Amount (2)	Risk Amount (1)	Average Risk Amount (2)
Exposures to sovereigns and their central banks	38.985.559	29.077.593	25.919.007	24.971.356
Exposures to regional and local governments	-	-	-	-
Exposures to administrative bodies and noncommercial entities	232.172	327.701	7.897	15.232
Exposures to multilateral development banks	106.747	64.367	39.951	37.034
Exposures to international organizations	-	-	-	-
Exposures to banks and securities firms	9.301.052	10.535.912	12.276.933	8.685.907
Exposures to corporates	144.766.260	139.089.790	92.067.093	128.342.983
Retail exposures	-	-	-	-
Exposures secured by property	3.198.999	1.295.422	952.426	944.455
Past due receivables	457.704	745.385	866.437	248.890
Exposures in higher-risk categories	6.909	7.009	117.390	420.416
Exposures in the form of bonds secured by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-
Equity investments in the form of collective investment undertakings	1.397.348	460.550	271.765	437.664
Equity investments	9.194.601	7.777.309	6.313.099	4.668.981
Other exposures	3.039.349	3.616.798	880.444	1.299.204

(1) Includes total risk amounts before the effect of credit risk mitigation.

(2) Average risk amounts are the arithmetical average of the amounts in monthly reports prepared as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (continued)

There are control limits on positions held in the form of futures and options contracts and other similar contracts. Limits are continuously checked by the bank management. Credit risk is managed together with the potential risks arising from market movements. Credit risk, market risk, liquidity risk and other risks are considered as a whole. When exposed to significant credit risk, the Bank is on the verge of reducing total risk by concluding futures and similar contracts, exercising their rights, fulfilling or selling their performances in a short period of time. Indemnified non-cash loans are subject to the same risk weight as the unpaid credits when they occur.

Except for the monitoring method determined by the related legislation of the renewed and re-amortized loans, the current rating of the relevant company is changed within the Bank within the scope of internal rating application and all kinds of measures are taken for risk classification. The Bank follows concentration on a maturity basis and examines the risks that differ from the normal course. Foreign transactions are made with many correspondent banks in many countries. The counterparty limits have been set in transactions with banks. As an active participant in the international banking market, the Bank does not have significant credit risk concentration when evaluated together with the financial activities of other financial institutions.

The first 100 and 200 largest cash loans constitute 80,78% and 96,97% of the total cash loans portfolio of the Bank respectively (December 31, 2023: 81,49% and 97,07%).

The first 100 and 200 largest non-cash loans constitute 100% and 100% of the total non-cash loans portfolio of the Bank respectively (December 31, 2023: 100% and 100%).

The first 100 and 200 largest cash and non-cash loans constitute 79,65% and 96,42% of the total on and off balance sheet accounts of the Bank respectively (December 31, 2023: 81,09% and 96,73%).

For the credit risk assumed by the Bank, the expected loss provision for stage 1 and stage 2, measured in accordance with the TFRS 9 forecast loss model, is TL 4.977.679 (December 31, 2023: TL 5.275.805).

Credit risk is assessed according to the Bank's internal rating model. While the ratings of the customers outside the financial sector in the loan portfolio are made with the internal rating model, the ratings of the customers involved in the financial sector are matched to the internal ratings of the Bank given by external rating agencies.

Credit risk is assessed according to the Bank's internal rating model distribution of cash loans, non-cash loans and financial leasing receivables given table below.

Loan Quality Categories	**Current Period (%)**	**Prior Perior (%)**
Above Average Grade	41,63	38,43
Average Grade	46,73	47,04
Below Average Grade	9,63	11,76
Impaired	2,01	2,77
Total	**100,00**	**100,00**

An aging analysis of loans with a delay of 31 days or more in close monitoring but not impaired is as follows:

	Current Period				**Prior Period**			
	31- 60 Days	**61- 90 Days**	**Other**	**Total [(1)]**	**31- 60 Days**	**61- 90 Days**	**Other**	**Total [(1)]**
Corporate Loans	-	-	-	-	12.411	-	-	12.411
SME Loans	-	-	-	-	-	-	-	-
Consumer Loans	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**12.411**	**-**	**-**	**12.411**

[(1)] There is no delay in the loans under close monitoring as of December 31, 2024. As of December 31, 2023, only the overdue amounts of the loans included in the relevant items are included and the total credit balance of these loans is TL 387.794

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

Profile of significant exposures in major region

	Risk Types [1]																
Current Period	**Exposures to sovereigns and their central banks**	**Exposures to regional and local governments**	**Exposures to administratie bodies and noncommercial entities**	**Exposures to multilateral development banks**	**Exposures to international organizations**	**Exposures to banks and securities firms**	**Exposures to corporates**	**Retail exposures**	**Exposures secured by property**	**Past due receivables**	**Exposures in higher-risk categories**	**Exposures in the form of bonds secured by mortgages**	**Short term exposures to banks, brokerage houses and corporates**	**Equity investments in the form of collective investment undertakings**	**Equity investments**	**Other exposures**	**Total**
Domestic	38.987.780	-	46.447	-	-	8.229.179	131.567.260	-	3.198.999	457.704	2.720	-	-	1.397.348	198.090	2.198.973	**186.284.500**
European Union (EU) Countries	-	-	-	196	-	81.150	-	-	-	-	-	-	-	-	688.183	109.801	**879.330**
OECD Countries [2]	-	-	-	21.229	-	475.592	418.625	-	-	-	-	-	-	-	-	-	**915.446**
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
USA, Canada	-	-	-	66.468	-	401.782	-	-	-	-	-	-	-	-	-	-	**468.250**
Other Countries	-	-	-	18.854	-	4.057	5.404	-	-	-	-	-	-	-	-	-	**28.315**
Associates, Subsidiaries and Joint-Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.308.328	-	**8.308.328**
Unallocated Assets/ Liabilities [3]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Total	**38.987.780**	**-**	**46.447**	**106.747**	**-**	**9.191.760**	**131.991.289**	**-**	**3.198.999**	**457.704**	**2.720**	**-**	**-**	**1.397.348**	**9.194.601**	**2.308.774**	**196.884.169**

[1] Risk types in the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" have been used. Since there is no securitization position, risk class of "Securitization Positions" has not been included in the table. Includes risk amounts after the effect of credit risk mitigation and the credit conversion.

[2] Includes OECD countries other than EU countries, USA and Canada.

[3] Includes asset and liability items that cannot be allocated on a consistent basis.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (Continued)

Profile of significant exposures in major region (Continued)

	Risk Types [1]																
Prior Period	**Exposures to sovereigns and their central banks**	**Exposures to regional and local governments**	**Exposures to administrative bodies and noncommercial entities**	**Exposures to multilateral development banks**	**Exposures to international organizations**	**Exposures to banks and securities firms**	**Exposures to corporates**	**Retail exposures**	**Exposures secured by property**	**Past due receivables**	**Exposures in higher-risk categories**	**Exposures in the form of bonds secured by mortgages**	**Short term exposures to banks, brokerage houses and corporates**	**Equity investments in the form of collective investment undertakings**	**Equity investments**	**Other exposures**	**Total**
Domestic	25.924.091	-	1.579	-	-	11.336.362	85.908.222	-	952.426	866.437	57.269	-	-	271.765	114.017	516.948	125.949.116
European Union (EU) Countries	-	-	-	5.975	-	130.906	-	-	-	-	-	-	-	-	462.591	103.661	703.133
OECD Countries [2]	-	-	-	-	-	23.252	-	-	-	-	-	-	-	-	-	-	23.252
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	289.704	-	-	-	-	-	-	-	-	-	-	289.704
Other Countries	-	-	-	33.976	-	32.756	-	-	-	-	-	-	-	-	-	-	66.732
Associates, Subsidiaries and Joint-Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.736.491	-	5.736.491
Unallocated Assets/ Liabilities [3]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**25.924.091**	**-**	**1.579**	**39.951**	**-**	**11.812.980**	**85.908.222**	**-**	**952.426**	**866.437**	**57.269**	**-**	**-**	**271.765**	**6.313.099**	**620.609**	**132.768.428**

[1] Risk types in the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" have been used. Since there is no securitization position, risk class of "Securitization Positions" has not been included in the table. Includes risk amounts after the effect of credit risk mitigation and the credit conversion.

[2] Includes OECD countries other than EU countries, USA and Canada.

[3] Includes asset and liability items that cannot be allocated on a consistent basis.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (continued)

Risk profile by sectors or counterparties

	Risk Types [1]																		
Current Period	**Exposures to sovereigns and their central banks**	**Exposures to regional and local governments**	**Exposures to administrative bodies and noncommercial entities**	**Exposures to multilateral development banks**	**Exposures to international organizations**	**Exposures to banks and securities firms**	**Exposures to corporates**	**Retail exposures**	**Exposures secured by property**	**Past due receivables**	**Exposures in higher-risk categories**	**Exposures in the form of bonds secured by mortgages**	**Short term exposures to banks, brokerage houses and corporates**	**Equity investments in the form of collective investment undertakings**	**Equity investments**	**Other exposures**	**TL**	**FC**	**Total**
Agriculture	-	-	-	-	-	-	62.775	-	-	-	16	-	-	-	-	340	356	62.775	63.131
Farming and Stockbreeding	-	-	-	-	-	-	62.775	-	-	-	16	-	-	-	-	-	16	62.775	62.791
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	340	340	-	340
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Manufacturing	-	-	-	-	-	-	95.088.338	-	1.521.544	149.195	2.685	-	-	-	-	185.000	10.568.864	86.377.898	96.946.763
Mining and Quarrying	-	-	-	-	-	-	1.338.065	-	-	-	-	-	-	-	-	-	2.292	1.335.773	1.338.065
Production	-	-	-	-	-	-	42.165.071	-	1.311.774	5.170	41	-	-	-	-	185.000	4.475.126	39.191.930	43.667.057
Electricity, Gas and Water	-	-	-	-	-	-	51.585.202	-	209.770	144.025	2.644	-	-	-	-	-	6.091.446	45.850.195	51.941.641
Construction	-	-	-	-	-	-	3.493.530	-	682.133	289.029	19	-	-	-	-	-	293.588	4.171.122	4.464.710
Services	2.870.125	-	46.445	106.747	-	9.191.760	30.060.908	-	995.322	19.480	-	-	-	1.397.348	9.194.601	1.595.541	16.190.397	39.287.879	55.478.277
Wholesale and Retail Trade	-	-	-	-	-	-	1.627.003	-	50.627	19.480	-	-	-	-	-	-	424.922	1.272.187	1.697.109
Accommodation and Dining	-	-	-	-	-	-	3.678.764	-	234.000	-	-	-	-	-	-	-	16.497	3.896.268	3.912.765
Transportation and Telecommunication	-	-	-	-	-	-	8.155.582	-	643.841	-	-	-	-	-	5.167	1.174.479	1.180.216	8.798.853	9.979.068
Financial Institutions	2.870.125	-	46.445	106.747	-	9.191.760	9.017.516	-	-	-	-	-	-	1.397.348	9.047.121	421.062	12.625.117	19.473.007	32.098.124
Real Estate and Rental Services	-	-	-	-	-	-	1.937.731	-	-	-	-	-	-	-	-	-	1.799.645	138.085	1.937.731
Professional Services	-	-	-	-	-	-	263.558	-	-	-	-	-	-	-	142.313	-	144.001	261.871	405.871
Educational Services	-	-	-	-	-	-	232.187	-	-	-	-	-	-	-	-	-	-	232.187	232.187
Health and Social Services	-	-	-	-	-	-	5.148.567	-	66.855	-	-	-	-	-	-	-	0	5.215.421	5.215.421
Others	36.117.655	-	2	-	-	-	3.285.738	-	-	-	-	-	-	-	-	527.893	22.540.599	17.390.689	39.931.288
Total	**38.987.780**	**-**	**46.447**	**106.747**	**-**	**9.191.760**	**131.991.289**	**-**	**3.198.999**	**457.704**	**2.720**	**-**	**-**	**1.397.348**	**9.194.601**	**2.308.774**	**49.593.804**	**147.290.365**	**196.884.169**

[1] Risk types in the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" have been used. Since there is no securitization position, risk class of "Securitization Positions" has not been included in the table. Includes risk amounts after the effect of credit risk mitigation and the credit conversion.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to credit risk (continued)

Risk profile by sectors or counterparties (continued)

	Risk Types [1]																		
Prior Period	**Exposures to sovereigns and their central banks**	**Exposures to regional and local governments**	**Exposures to administrative bodies and noncommercial entities**	**Exposures to multilateral development banks**	**Exposures to international organizations**	**Exposures to banks and securities firms**	**Exposures to corporates**	**Retail exposures**	**Exposures secured by property**	**Past due receivables**	**Exposures in higher-risk categories**	**Exposures in the form of bonds secured by mortgages**	**Short term exposures to banks, brokerage houses and corporates**	**Equity investments in the form of collective investment undertakings**	**Equity investments**	**Other exposures**	**TL**	**FC**	**Total**
Agriculture	-	-	-	-	-	-	52.322	-	-	2.800	16	-	-	-	-	340	3.156	52.322	55.478
Farming and Stockbreeding	-	-	-	-	-	-	52.322	-	-	2.800	16	-	-	-	-	-	2.816	52.322	55.138
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	340	340	-	340
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	61.920.549	-	278.440	402.804	2.620	-	-	-	-	-	7.579.126	55.025.287	62.604.413
Mining and Quarrying	-	-	-	-	-	-	1.106.677	-	-	-	-	-	-	-	-	-	1.262	1.105.415	1.106.677
Production	-	-	-	-	-	-	24.657.340	-	276.107	98.833	22	-	-	-	-	-	4.192.621	20.839.681	25.032.302
Electricity, Gas and Water	-	-	-	-	-	-	36.156.532	-	2.333	303.971	2.598	-	-	-	-	-	3.385.243	33.080.191	36.465.434
Construction	-	-	-	-	-	-	1.724.341	-	259.726	437.156	54.633	-	-	-	-	-	541.676	1.934.180	2.475.856
Services	2.485.658	-	-	39.951	-	11.812.980	20.984.671	-	414.260	23.677	-	-	-	271.765	6.313.099	549.972	15.392.254	27.503.779	42.896.033
Wholesale and Retail Trade	-	-	-	-	-	-	488.046	-	74.952	13.875	-	-	-	-	-	-	123.125	453.748	576.873
Accommodation and Dining	-	-	-	-	-	-	2.423.641	-	179.403	-	-	-	-	-	-	-	800.317	1.802.727	2.603.044
Transportation and Telecommunication	-	-	-	-	-	-	7.725.304	-	159.905	9.802	-	-	-	-	3.550	-	13.921	7.884.640	7.898.561
Financial Institutions	2.485.658	-	-	39.951	-	11.812.980	6.581.452	-	-	-	-	-	-	271.765	6.282.621	549.925	14.277.082	13.747.270	28.024.352
Real Estate and Rental Services	-	-	-	-	-	-	83.610	-	-	-	-	-	-	-	-	-	4.014	79.596	83.610
Professional Services	-	-	-	-	-	-	284.287	-	-	-	-	-	-	-	26.928	47	26.975	284.287	311.262
Educational Services	-	-	-	-	-	-	364.194	-	-	-	-	-	-	-	-	-	146.820	217.374	364.194
Health and Social Services	-	-	-	-	-	-	3.034.137	-	-	-	-	-	-	-	-	-	-	3.034.137	3.034.137
Others	23.438.433	-	1.579	-	-	-	1.226.339	-	-	-	-	-	-	-	-	70.297	14.167.902	10.568.746	24.736.648
Total	**25.924.091**	**-**	**1.579**	**39.951**	**-**	**11.812.980**	**85.908.222**	**-**	**952.426**	**866.437**	**57.269**	**-**	**-**	**271.765**	**6.313.099**	**620.609**	**37.684.114**	**95.084.314**	**132.768.428**

[1] The risk classes in the Regulation on the Measurement and Assessment of Capital Adequacy of Banks were taken into consideration. Since there are no securitization positions, the risk class "Securitization Positions" is not included in the table. Risk amounts after credit conversion rate and credit risk reduction are included.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Analysis of maturity-bearing exposures according to remaining maturities

Risk Types [1]	**Term to Maturity**				
Current Period	**1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**Over 1 year**
Exposures to sovereigns and their central banks	2.389.547	30.306	2.501.177	1.856.688	32.209.094
Exposures to regional and local governments	-	-	-	-	-
Exposures to administrative bodies and noncommercial entities	46.431	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-
Exposures to banks and securities firms	6.096.982	516.627	859.482	30.170	1.556.542
Exposures to corporates	2.995.116	5.809.825	8.892.438	7.832.088	106.298.417
Retail exposures	-	-	-	-	-
Exposures secured by property	72.748	2.845	14.822	99.381	3.009.203
Past due receivables	-	-	-	-	-
Exposures in higher-risk categories	-	-	-	-	2.087
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Equity investments in the form of collective investment undertakings	-	-	-	-	-
Equity investments	-	-	-	-	-
Other exposures	218	883	1.161	3.335	2.380
Total	**11.601.042**	**6.360.486**	**12.269.080**	**9.821.662**	**143.077.723**

[1] The conversion rate to credit and the risk amounts after credit risk reduction are included.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (Continued)

Analysis of maturity-bearing exposures according to remaining maturities (Continued)

Risk Types [1]	Term to Maturity				
Prior Period	**1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**Over 1 year**
Exposures to sovereigns and their central banks	3.328.614	35.944	987.137	3.105.963	18.464.823
Exposures to regional and local governments	-	-	-	-	-
Exposures to administrative bodies and noncommercial entities	1.579	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-
Exposures to banks and securities firms	10.170.609	135.030	446.931	178.959	780.083
Exposures to corporates	951.359	5.785.260	4.664.766	3.744.703	70.029.064
Retail exposures	-	-	-	-	-
Exposures secured by property	-	1.631	44.754	64.945	841.096
Past due receivables	-	-	-	-	-
Exposures in higher-risk categories	54.620	-	978	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Equity investments in the form of collective investment undertakings	-	-	-	-	-
Equity investments	-	-	-	-	-
Other exposures	-	-	-	-	95.536
Total	**14.506.781**	**5.957.865**	**6.144.566**	**7.094.570**	**90.210.602**

[1] The conversion rate to credit and the risk amounts after credit risk reduction are included.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Disclosures on credit risk

In determining the risk weights of the risk classes specified in Article 6 of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks, the international ratings of Fitch Ratings International Rating and JCR Avrasya Derecelendirme A.Ş. are used.

The ratings given by Fitch Ratings are used for receivables from banks and intermediary institutions whose counterparty is a resident of abroad and for receivables from central governments and central banks in the risk classes. The ratings given by JCR Avrasya Derecelendirme A.Ş. are used for receivables from banks and intermediary institutions whose counterparties are resident domestically and corporate receivables are included in the risk classes and for receivables that are denominated in TL. Other receivables from domestic residents who are not included in this scope are considered as ungraded. Credit ratings for these risk classes are not used for other assets from the borrower.

The table on matching the ratings used in the calculations to the credit quality grades is given below.

Credit Quality Level	1	2	3	4	5	6
Grade	AAA ile AA-	A+ with A-	BBB+ with BBB-	BB+ with BB-	B+ with B-	CCC+ and below

Exposures by risk weights

Current Period

Risk Weight	0%	10%	20%	25%	50%	75%	100%	150%	200%	250%	500%	Deductions from Eqıity
Amount Before Credit Risk Mitigation	39.092.306	-	10.849.845	-	13.952.429	-	129.243.933	483.621	-	3.262.035	-	1.123.985
Amount After Credit Risk Reduction	39.094.527	-	10.849.845	-	17.156.660	-	126.037.481	483.621	-	3.262.035	-	1.123.985

Prior Period

Risk Weight	0%	10%	20%	25%	50%	75%	100%	150%	200%	250%	500%	Deductions from Eqıity
Amount Before Credit Risk Mitigation	25.958.958	-	11.707.563	-	10.849.902	-	81.990.590	2.544	17.532	2.150.533	90.804	1.123.985
Amount After Credit Risk Reduction	25.964.041	-	11.707.563	-	11.808.451	-	81.026.958	2.544	17.532	2.150.533	90.804	774.407

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (Continued)

Information of major sectors or type of counterparties

The Parent Bank's all impaired and non-performing receivables comprise of domestic receivables.

Current Period	**Loans [1]**		**Provisions**
Major Sectors/Counterparties	**Impaired**		
	Significant Increase in Credit Risk (Stage 2)	**Defaulted (Stage 3)**	**Expected Credit Losses (TFRS 9)**
Agriculture	-	28.151	28.148
Farming and Stockbreeding	-	28.151	28.148
Forestry	-	-	-
Fishery	-	-	-
Manufacturing	4.476.254	1.959.313	3.624.464
Mining and Quarrying	-	-	-
Production	818.075	11.448	282.108
Electricity, Gas and Water	3.658.179	1.947.865	3.342.356
Services	3.633.754	232.877	981.850
Wholesale and Retail Trade	392.797	48.700	147.061
Accommodation and Dining	-	-	-
Transportation and Telecommunication	3.240.957	184.177	834.789
Financial Institutions	-	-	-
Real Estate, Rental and Management Services	-	-	-
Professional Services	-	-	-
Educational Services	-	-	-
Health and Social Services	-	-	-
Others	3.287.772	1.452.674	2.463.539
Total	**11.397.780**	**3.673.015**	**7.098.001**

[1] Includes breakdown of cash loans and financail lease receivables.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Information of major sectors or type of counterparties (continued)

Prior Period	Loans [1]		Provisions
Major Sectors/Counterparties	Impaired		
	Significant Increase in Credit Risk (Stage 2)	Defaulted (Stage 3)	Expected Credit Losses
Agriculture	-	27.999	25.200
Farming and Stockbreeding	-	27.999	25.200
Forestry	-	-	-
Fishery	-	-	-
Manufacturing	5.577.512	2.453.318	3.460.904
Mining and Quarrying	-	-	-
Production	793.822	328.922	398.196
Electricity, Gas and Water	4.783.690	2.124.396	3.062.708
Services	6.143.064	265.417	2.490.589
Wholesale and Retail Trade	724.942	69.373	163.754
Accommodation and Dining	-	-	-
Transportation and Telecommunication	5.418.122	196.044	2.326.835
Financial Institutions	-	-	-
Real Estate, Rental and Management Services	-	-	-
Professional Services	-	-	-
Educational Services	-	-	-
Health and Social Services	-	-	-
Others	1.405.069	1.192.428	1.065.020
Total	**13.125.645**	**3.939.162**	**7.041.713**

[1] The distribution of cash loans and financial leasing receivables is included.

Information related with value adjustments and loan loss provisions

Current Period	Opening balance	Provision for the period	Provision reversals	Other adjustments	Closing balance
Stage 3 Provisions	3.072.725	532.515	(389.929)	-	3.215.311
Stage 1-2 Provisions	5.275.805	910.643	(1.208.769)	-	4.977.679

Prior Period	Opening balance	Provision for the period	Provision reversals	Other adjustments	Closing balance
Stage 3 Provisions	2.140.027	1.143.281	(210.583)	-	3.072.725
Stage 1-2 Provisions	3.413.700	1.862.949	(844)	-	5.275.805

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Exposures subject to countercyclical capital buffer

The geographical distribution of receivables from the private sector is taken into account for Calculation of Bank specific Counter Cyclical Capital Buffer with the scope of Capital Conservation and Counter-Cyclical Capital Buffers Regulation which is published on the Official Gazette no. 28812 dated November 5, 2013 and sub-arrangements is given table below.

Current Period Country risk taken ultimately	**Private Sector Loans in Banking Book**	**Risk Weighted Amount calculations for Trading Book**	**Total**
United States	348	-	348
England	421.045	-	421.045
Luxembourg	797.983	-	797.983
Saudia Arabia	5.404	-	5.404
Turkey	142.262.126	5.838	142.267.963
Total	**143.486.906**	**5.838**	**143.492.743**

Prior Period Country risk taken ultimately	**Private Sector Loans in Banking Book**	**Risk Weighted Amount calculations for Trading Book**	**Total**
United States	149.517	-	149.517
England	41.080	-	41.080
Luxembourg	566.253	-	566.253
Turkey	91.958.626	3.938	91.962.563
Total	**92.715.476**	**3.938**	**92.719.413**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to currency risk

Due to the uncertainties and volatilities in the markets, no short or long positions are followed, so it is foreseen that there will be no exchange rate risk. However, the exchange rate risks that may occur are still calculated on a monthly basis in the exchange rate risk table within the scope of the standard method, and the results are reported to the official authorities and the Bank's senior management. Thus, exchange rate risk is closely monitored.

The position limit for currency risk is calculated in accordance with the terms of the "Regulation on the Calculation and Application of the Foreign Currency Net General Position/Equity Standard Ratio by Banks on a Consolidated and Unconsolidated Basis".

As part of the overall market risk, currency risk is also taken into account in the calculation of the Standard Ratio of Capital Adequacy.

No open positions are taken for foreign currency risks, and when any exchange rate risk arises from customer transactions, no exchange rate risk is carried by taking a counter position.

Announced current foreign exchange buying rates of the Bank as at reporting date and the previous five working days in US Dollar and Euro are as follows:

	1 US Dollar	1 Euro
The Parent Bank's "Foreign Exchange Valuation Rate"		
December 31, 2024	35.0665	36.4832
Prior Five Workdays:		
December 30, 2024	35.0416	36.5274
December 27, 2024	34.9603	36.3902
December 26, 2024	35.0086	36.4089
December 25, 2024	35.0462	36.4586
December 24, 2024	34.9932	36.3719

Simple arithmetic one month averages of the US Dollar and Euro buying rates of the Bank before the reporting date are full TL 34,7422 and 36,3677 respectively.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to currency risk (continued)

Information on the Bank's foreign currency risk:

Current Period	Euro	US Dollar	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased, Precious Metals) and Balances with the Central Bank of Turkey	2.166	2.877.487	-	2.879.653
Banks [8]	357.638	6.898.711	413.146	7.669.495
Financial Assets at Fair Value Through Profit or Loss [1]	236.746	491.198	-	727.944
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	2.580.472	3.316.915	-	5.897.387
Loans [2]	67.182.546	80.838.780	597	148.021.923
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	-	-	-	-
Financial Assets Measured at Amortized Cost [3]	971.838	13.285.595	-	14.257.433
Derivative Financial Assets for Hedging Purposes [4]	-	255.963	-	255.963
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets [5]	-	93.772	-	93.772
Total Assets	**71.331.406**	**108.058.421**	**413.743**	**179.803.570**
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Money Market Borrowings	323.059	996.218	-	1.319.277
Funds Provided From Other Financial Institutions	42.399.104	81.582.485	-	123.981.589
Marketable Securities Issued	-	62.362.792	-	62.362.792
Miscellaneous Payables	849.118	1.828.421	372.583	3.050.122
Derivative Financial Liabilities for Hedging Purposes [4]	-	417.848	-	417.848
Other Liabilities [6]	454.431	1.425.290	37	1.879.758
Total Liabilities	**44.025.712**	**148.613.054**	**372.620**	**193.011.386**
Net Balance Sheet Position	**27.305.694**	**(40.554.633)**	**41.123**	**(13.207.816)**
Net Off-Balance Sheet Position	**(27.068.889)**	**39.686.533**	**(36.477)**	**12.581.167**
Financial Derivative Assets	1.633.323	42.504.987	861.540	44.999.850
Financial Derivative Liabilities	(28.702.212)	(2.818.454)	(898.017)	(32.418.683)
Non-Cash Loans [7]	4.666.145	13.578.772	-	18.244.917
Prior Period				
Total Assets	53.479.249	86.600.492	10.347	140.090.088
Total Liabilities	36.251.085	115.122.887	3.158	151.377.130
Net Balance Sheet Position	**17.228.164**	**(28.522.395)**	**7.189**	**(11.287.042)**
Net Off -Balance Sheet Position	**(16.318.968)**	**28.590.448**	**630**	**12.272.110**
Financial Derivative Assets	1.783.110	30.780.011	626.441	33.189.562
Financial Derivative Liabilities	(18.102.078)	(2.189.563)	(625.811)	(20.917.452)
Non-Cash Loans [7]	5.606.944	4.107.324	-	9.714.268

[1] Exchange rate differences arising from derivative transactions amounting to TL 514.132 is deducted from "Financial Assets at Fair Value Through Profit and Loss".

[2] Loans include TL 495.341 foreign currency indexed loans, TL 417.553 financial lease receivables, TL 1.105 non-performing loans, and TL (1.105) credit-impaired losses (stage III/specific provision). (4.506.216) TL 1. and 2. the stage includes the expected loss provision amounts (including foreign currency indexed loans).

[3] (12.319) TL 1. the stage includes the amount of expected loss provision.

[4] Derivative financial assets for hedging purposes has classified in line of derivative financial assets in financial statement. Derivative financial liabilities for hedging purposes has classified in line of derivative financial liabilities in financial statement. TL 863.444 of foreign exchange difference accrual has been deducted from "Hedging Derivative Financial Assets",

[5] It does not include paid expenses in the amount of TL 31.706. [3] TL 1. the stage includes the amount of expected loss provision.

[6] Derivative financial transactions currency difference rebates amounting to TL 122.295 and foreign currency exchange commitments rebates amounting to TL 178 are not included in the "Other Liabilities" line.

[7] There is no effect on the net off-balance sheet position.

[8] (3.361) TL 1. the stage includes the amount of expected loss provision.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to currency risk (Continued)

The Bank is mostly exposed to Euro, US Dollars and other foreign currencies.

The following tables detail the Bank's sensitivity to 10% increase/decrease in the TL against US Dollar, Euro and other currencies.

	Increase in Currency Rate	Effect on Profit/Loss [1]		Effect on Equity [2]	
	%	Current Period	Prior Period	Current Period	Prior Period
US Dollar	10	(92.607)	(3.604)	5.797	10.410
Euro	10	49.191	106.764	(25.510)	(15.845)
Other	10	465	782	-	-

	Decrease in Currency Rate	Effect on Profit/Loss [1]		Effect on Equity [2]	
	%	Current Period	Prior Period	Current Period	Prior Period
US Dollar	10	92.607	3.604	(5.797)	(10.410)
Euro	10	(49.191)	(106.764)	25.510	15.845
Other	10	(465)	(782)	-	-

[1] *Values expressed are before the tax effect.*
[2] *Effect on equity does not include effect on profit/loss*

IV. Explanations related to interest rate risk

Interest rate sensitivity of the assets, liabilities and off-balance sheet items are measured by the Bank. General and specific interest rate risk tables in the standard method, by including assets and liabilities, are taken into account in determination of Capital Adequacy Standard Ratio and to calculate the overall interest rate risk of the Bank.

Forecast results, which have been formed using estimation-simulation reports are prepared and then the effects of fluctuations in interest rates are evaluated with sensitivity and scenario analysis. Cash requirement for every maturity period is determined based on maturity distribution analysis (Gap). In addition, a positive spread between the yield on assets and the cost of liabilities is kept while determining interest rates.

The amount of local borrowings are very low considering the total liabilities of the Bank. As the Bank is a development and investment bank, it obtains most of the funding from abroad.

The fluctuations in interest rates are controlled with interest rate risk tables, gap analysis, scenario analysis and stress tests, its effect on assets and liabilities and the probable changes in cash flows are being screened. The Bank screens many risk control ratios including the markets risk ratio to the sum of risk weighted assets and the ratio of the value at risk calculated as per the internal model to the equity.

Under the scope of risk policies, continuous controls are made to prevent assets or shareholders' equity from adverse effects because of fluctuations in interest rates or liquidity difficulties and top management, the Board of Directors and the Audit Committee are informed of these risks.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to interest rate risk (Continued)

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest bearing [2]	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	7.345	-	-	-	-	2.873.080	2.880.425
Banks	6.314.635	-	-	-	-	1.361.227	7.675.862
Financial Assets at Fair Value Through Profit and Loss [3]	2.028.347	291.731	416.746	320.616	-	1.383.875	4.441.315
Money Market Placements	598.282	486.627	838.982	-	-	-	1.923.891
Financial Assets at Fair Value Through Other Comprehensive Income	6.524.766	1.480.352	2.112.327	6.654.897	490.680	1.089.867	18.352.889
Loans	74.113.598	21.372.449	45.316.413	18.565.052	3.834.801	-	163.202.313
Financial Assets Measured at Amortized Cost	6.340.107	4.017.545	3.430.828	8.299.285	2.131.950	-	24.219.715
Other Assets	-	-	-	-	-	8.563.947	8.563.947
Total Assets	**95.927.080**	**27.648.704**	**52.115.296**	**33.839.850**	**6.457.431**	**15.271.996**	**231.260.357**
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	3.280.103	421	-	-	-	-	3.280.524
Miscellaneous Payables	-	-	-	-	-	3.099.744	3.099.744
Marketable Securities Issued [4]	14.761.076	1.786.539	300.847	45.514.330	-	-	62.362.792
Funds Provided from Other Financial Institutions	69.836.225	16.486.753	29.468.828	7.475.505	733.278	-	124.000.589
Other Liabilities	674.558	93.156	555.208	223.099	-	36.970.687	38.516.708
Total Liabilities	**88.551.962**	**18.366.869**	**30.324.883**	**53.212.934**	**733.278**	**40.070.431**	**231.260.357**
Balance Sheet Long Position	**7.375.118**	**9.281.835**	**21.790.413**	-	**5.724.153**	-	**44.171.519**
Balance Sheet Short Position	-	-	-	**(19.373.084)**	-	**(24.798.435)**	**(44.171.519)**
Off-Balance Sheet Long Position	16.671.092	367.990	-	5.831.646	-	-	22.870.728
Off-Balance Sheet Short Position	-	-	(21.015.785)	-	(74.141)	-	(21.089.926)
Total Position	**24.046.210**	**9.649.825**	**774.628**	**(13.541.438)**	**5.650.012**	**(24.798.435)**	**1.780.802**

[1] Amounts in investments in associates and subsidiaries, deferred tax asset, tangible and intangible assets, other assets, other assets, other foreign resources other miscellenous liabilities, shareholders' equity, provisions and tax liability are presented in non-interest bearing column, in order to reconcile the total assets and liabilities on the balance sheet.

[2] Expected credit losses for stage 1 and stage 2 are shown on the other assets, non-interest bearing.

[3] Derivative financial assets and loans measured at fair value through profit or loss.

[4] Subordinated bonds which are classified on the balance sheet It also includes the secondary capital-like bonds issued with credit quality.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to interest rate risk (Continued)

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates) (Continued)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest bearing [1] [2]	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	2.447	-	-	-	-	2.940.377	2.942.824
Banks	4.367.139	-	-	-	-	398.682	4.765.821
Financial Assets at Fair Value Through Profit and Loss	1.462.194	22.819	54.469	391.980	3.235	279.883	2.214.580
Money Market Placements	7.098.477	135.030	183.901	-	-	-	7.417.408
Financial Assets at Fair Value Through Other Comprehensive Income	1.607.642	38.106	1.529.624	3.951.216	1.818.599	867.355	9.812.542
Loans	59.217.282	16.627.330	28.650.600	17.184.879	5.384.650	-	127.064.741
Financial Assets Measured at Amortized Cost	8.392.539	-	-	7.861.133	2.640.440	-	18.894.112
Other Assets	-	-	-	-	-	3.772.009	3.772.009
Total Assets	**82.147.720**	**16.823.285**	**30.418.594**	**29.389.208**	**9.846.924**	**8.258.306**	**176.884.037**
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	1.871.051	610.008	-	-	-	-	2.481.059
Miscellaneous Payables	-	-	-	-	-	1.762.361	1.762.361
Marketable Securities Issued	638.319	428.578	415.376	30.744.818	-	-	32.227.091
Funds Provided from Other Financial Institutions [4]	66.357.642	12.873.858	21.187.698	11.493.912	981.090	-	112.894.200
Other Liabilities	968.100	27.441	93.948	185.965	-	26.243.872	27.519.326
Total Liabilities	**69.835.112**	**13.939.885**	**21.697.022**	**42.424.695**	**981.090**	**28.006.233**	**176.884.037**
Balance Sheet Long Position	**12.312.608**	**2.883.400**	**8.721.572**	**-**	**8.865.834**	**-**	**32.783.414**
Balance Sheet Short Position	**-**	**-**	**-**	**(13.035.487)**	**-**	**(19.747.927)**	**(32.783.414)**
Off-Balance Sheet Long Position	-	-	-	8.938.975	415.732	-	9.354.707
Off-Balance Sheet Short Position	(4.489.815)	(235.935)	(4.875.812)	-	-	-	(9.601.562)
Total Position	**7.822.793**	**2.647.465**	**3.845.760**	**(4.096.512)**	**9.281.566**	**(19.747.927)**	**(246.855)**

[1] Amounts in investments in associates and subsidiaries, deferred tax asset, tangible and intangible assets, other assets, other miscellenous liabilities, shareholders' equity, other assets, other foreign resources provisions and tax liability are presented in non-interest bearing column, in order to reconcile the total assets and liabilities on the balance sheet.

[2] Expected credit losses for stage 1 and stage 2 are shown on the other assets, non-interest bearing.

[3] Derivative financial assets and loans measured at fair value through profit or loss.

[4] Includes Tier 2 subordinated bonds which are classified on the balance sheet as subordinated loans.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to interest rate risk (Continued)

Average interest rates applied to monetary financial instruments: %

	Euro	US Dollar	Yen	TL
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	3,50	3,50	-	-
Banks	-	4,51	-	46,00
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-
Money Market Placements	-	-	-	48,22
Financial Assets at Fair Value Through Other Comprehensive Income	4,57	6,41	-	45,87
Loans	7,30	9,19	-	54,00
Financial Assets Measured at Amortized Cost	5,84	8,09	-	22,06
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	0,26	0,53	-	46,69
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued [1]	-	5,92	-	-
Borrower Funds	0,25	0,50	-	39,00
Funds Provided From Other Financial Institutions	4,51	5,89	-	47,74

[1] Includes classified under subordinated loans in the balance sheet. and the secondary capital-like credit-qualified bonds issued

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to interest rate risk (Continued)

Average interest rates applied to monetary financial instruments: %

	Euro	US Dollar	Yen	TL
Prior Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	4,75	4,75	-	-
Banks	-	5,49	-	-
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-
Money Market Placements	-	-	-	42,84
Financial Assets at Fair Value Through Other Comprehensive Income	4,57	6,60	-	33,36
Loans	8,51	9,94	-	42,54
Financial Assets Measured at Amortized Cost	5,84	8,14	-	35,62
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	0,31	2,85	-	37,00
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	6,93	-	-
Borrower Funds	0,25	0,50	-	37,00
Funds Provided From Other Financial Institutions (1)	4,75	6,85	-	43,00

(1) Includes Tier 2 subordinated bonds which are classified on the balance sheet as subordinated loans.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations related to stock position risk

Accounting practices regarding investments in associates and subsidiaries are included in Section 3, Note XXII.I.

Equity shares risk due from banking book

The table below is a comparison table of the Bank's investments in stock exchanges, the balance sheet, the fair value and the market value for those traded on the stock exchange.

Current Period		**Comparison**	
Share Certificate Investments	**Book Value**	**Share Certificate Investments**	**Book Value**
Investment in Shares-Grade A	**3.262.349**	-	**3.306.514**
Quoted	3.262.349	-	3.306.514
Investment in Shares-Grade B	**4.177.984**	-	**3.591.348**
Quoted	4.177.984	-	3.591.348

Prior Period		**Comparison**	
Share Certificate Investments	**Book Value**	**Share Certificate Investments**	**Book Value**
Investment in Shares-Grade A	**2.240.893**	-	**3.158.790**
Quoted	2.240.893	-	3.158.790
Investment in Shares-Grade B	**2.968.335**	-	**3.164.996**
Quoted	2.968.335	-	3.164.996

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Equity shares risk due from banking book (Continued)

On the basis of the following table, private equity investments in sufficiently diversified portfolios, type and amount of other risks, cumulative realized gains and losses arising from selling and liquidation in the current period, total unrealized gains and losses, total revaluation increases of trading positions on stock market and their amount that included to core capital and supplementary capital are shown.

Current Period Portfolio		Revaluation Value Increases		Unrealized Gains and Losses		
Current Period	Realized Revenues and Losses in the Period	Total	Included in Core Capital [1]	Total	Included in Core Capital	Included in Supplementary Capital
Private Equity Investments	-	-	-	-	-	-
Share Certificates Quoted on a Stock Exchange	-	2.413.555	2.413.555	-	-	-
Other Share Certificates	-	1.082.509	1.082.509	-	-	-
Total	-	**3.496.064**	**3.496.064**	-	-	-

[1] It refers to the amounts reflected to equity for investments in associates and subsidiaries valued according to the equity method.

Prior Period Portfolio		Revaluation Value Increases		Unrealized Gains and Losses		
Prior Period	Realized Revenues and Losses in the Period	Total	Included in Core Capital [1]	Total	Included in Core Capital	Included in Supplementary Capital
Private Equity Investments	-	-	-	-	-	-
Share Certificates Quoted on a Stock Exchange	-	1.982.283	1.982.283	-	-	-
Other Share Certificates	-	842.132	842.132	-	-	-
Total	-	**2.824.415**	**2.824.415**	-	-	-

[1] It refers to the amounts reflected to equity for investments in associates and subsidiaries valued according to the equity method.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio

1. Explanations related to the liquidity risk

1.a Information about the governance of unconsolidated liquidity risk management, including: risk tolerance, structure and responsibilities for unconsolidated liquidity risk management, internal unconsolidated liquidity reporting and communication of unconsolidated liquidity risk strategy, policies and practices across business lines and with the board of directors

Liquidity risk management is conducted by Treasury Department in line with the strategies set by Asset and Liability Committee within the limits and policies approved by Board of Directors, and is monitored and controlled through reportings from Risk Management, Budget Planning and Financial Control Departments to Audit Committee, Risk Committee, Board of Directors, Senior Management and relevant departments.

The Bank’s liquidity risk capacity is determined by the Bank’s internal limits and the regulations on liquidity coverage ratio and liquidity adequacy. Regarding it’s risk appetite, in addition to legal limits, the Bank also applies internal limits for monitoring and controlling the liquidity risk.

Considering the Bank’s strategies and competitive conditions, Asset and Liability Committee has the responsibility of taking the relevant decisions regarding optimal balance sheet management of the Bank, and monitoring the implementations. Treasury Department performs cash position management within the framework of the decisions taken at Asset and Liability Committee meetings.

The Risk Management Department reports to the Board of Directors and the Asset and Liability Committee regarding liquidity risk within the scope of internal limits and legal regulations. Additionnally, liquidity stress tests are performed based on various scenarios and reported with their impact on legal limit utilization. Treasury Control Unit under the Budget Planning Department also makes cash flow projection reportings to the Treasury Department and the Asset Liability Committee at certain periods and when needed.

1.b Information on the centralization degree of unconsolidated liquidity management and funding strategy and the functioning between the Bank and the Bank’s subsidiaries

Within the scope of consolidation, liquidity management is not centralized and each subsidiary is responsible for its own liquidity management. However, the Bank monitors the liquidity risk of each subsidiary within the defined limits.

1.c Information on the Bank’s funding strategy including the policies on funding types and variety of maturities

Among the main funding sources of the Bank, there are development bank credits, capital market transactions, syndicated loans, bilateral contractual resources, repo transactions and money market transactions and these sources are diversified to minimize the liquidity risk within the terms of market conditions. The funding planning based on those loans is performed long term such as a minimum of one year and the performance is monitored by the Asset and Liability Committee.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio (Contiued)

1. Explanations related to the liquidity risk (Continued)

1.ç Information on liquidity management on the basis of currencies constituting a minimum of five percent of the Bank's total liabilities:

The Bank's obligations consist of Turkish Lira (TRY), US Dollar (USD) and Euro (EUR) currency types. Turkish Lira obligations mainly consist of equity and repurchase agreements, whereas foreign currency obligations consist of foreign currency credits, securities issued and repurchase agreements. All loans provided from foreign sources are in foreign currencies. For this reason, foreign resources can be used in TL funding by currency swap transactions when necessary.

1.d Information on unconsolidated liquidity risk mitigation techniques

Unconsolidated Liquidity limits are defined for the purpose of monitoring and keeping the risk under certain levels. The Bank monitors those limits' utilization and informs the Board of Directors, the Bank Senior Management and the relevant departments regularly. Regarding those limits, the Treasury Department performs the required transactions with the relevant cost and term composition in accordance with market conditions from the sources previously defined in Article c. The Bank minimizes the liquidity risk by holding high quality liquid assets and diversification of funds.

1.e Information on the use of stress tests

Within the scope of liquidity stress tests, the deteriorations that may occur in the cash flow structure of the Bank are assessed by the Bank's scenarios. The results are analyzed by taking into account the risk appetite and capacity of the Bank and reported to the senior management by the Risk Management Department ensuring the necessary actions are taken.

1.f General information on urgent and unexpected unconsolidated liquidity situation plans

There is a Contingency Funding Plan for the contingent periods that arises beyond the Bank's control. In a potential liquidity shortfall, Treasury Department is responsible from assessment, taking relevant actions and informing Asset and Liability Committee. In contingent cases, to identify the liquidity risk arising, cash flow projections and funding requirement estimations are exercised based on various scenarios. To assess the stress scenarios, cash flow in terms of local currency is monitored regularly by Treasury Department. Scenario analysis on the Bank's unencumbered sources are conducted daily. Transaction limits for organized markets are monitored timely and essential collateral amount to trade in those markets is withheld at hand. Repo transactions and/or available for sale portfolio securities in local and foreign currency that are major funding sources in shortfall periods for the Bank are monitored consistently. In contingent periods outflows due to the irrevocable commitments, contingencies and derivative transactions can be deferred temporarily in a way that won't hurt the Bank's reputation. TSKB has the optionality of choosing one or more of the following for meeting it's liquidity requirement that are selling liquid assets off, increasing short term borrowing, decreasing illiquid assets, increasing capital.

2. Liquidity Coverage Ratio

According to regulations which is published on 28948 numbered gazette on 21 March 2014 related to calculation of liquidity coverage ratio of banks, calculated liquidity coverage ratios are shown below. Including the reporting period for the last three months unconsolidated foreign currency and total liquidity coverage ratios and the lowest and highest values during the period are shown below:

	Current Period		Prior Period	
	TL+FC	**FC**	**TL+FC**	**FC**
Lowest	312,68	272,34	738,18	589,83
Related Week	27/12/2024	27/12/2024	06/10/2023	22/12/2023
Highest	886,00	612,13	914,24	831,56
Related Week	20/12/2024	13/12/2024	24/11/2023	10/11/2023

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio (Contiued)

		Rate of "Percentage to be taken into account" not Implemented Total value		Rate of "Percentage to be taken into account" Implemented Total value	
Current Period		**TL+FC**	**FC**	**TP+YP**	**TL+FC**
HIGH QUALITY LIQUID ASSETS (HQLA)					
1	High quality liquid assets	-	-	25.964.543	14.680.429
CASH OUTFLOWS					
2	Retail and Customers Deposits	-	-	-	-
3	Stable deposits	-	-	-	-
4	Less stable deposits	-	-	-	-
5	Unsecured Funding other than Retail and Small Business, Customers Deposits	12.460.144	10.198.081	10.922.938	8.737.229
6	Operational deposits	637.878	565.489	159.470	141.372
7	Non-Operational Deposits	-	-	-	-
8	Other Unsecured Funding	11.822.266	9.632.592	10.763.468	8.595.857
9	Secured funding			-	-
10	Other Cash Outflows	637.961	1.045.651	637.961	1.045.651
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	544.433	952.123	544.433	952.123
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	93.528	93.528	93.528	93.528
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	38.351.873	30.706.556	4.089.432	2.790.167
16	**TOTAL CASH OUTFLOWS**	**-**	**-**	**15.650.331**	**12.573.047**
CASH INFLOWS					
17	Secured Lending Transactions	2.201	-	-	-
18	Unsecured Lending Transactions	16.203.833	13.834.562	12.727.641	10.574.570
19	Other contractual cash inflows	947.319	6.514.017	947.319	6.514.017
20	**TOTAL CASH INFLOWS**	**17.153.353**	**20.348.579**	**13.674.960**	**17.088.587**
				Üst Sınır Uygulanmış Değerler	
21	**TOTAL HQLA STOCK**	**-**	**-**	**25.964.543**	**14.680.429**
22	**TOTAL NET CASH OUTFLOWS**	**-**	**-**	**3.912.583**	**3.143.262**
23	**LIQUIDITY COVERAGE RATIO (%)**	**-**	**-**	**664**	**467**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio (Contiued)

2. Liquidity Coverage Ratio (Contiued)

		Rate of "Percentage to be taken into account" not Implemented Total value		Rate of "Percentage to be taken into account" Implemented Total value	
Prior Period		**TL+FC**	**FC**	**TP+YP**	**TL+FC**
HIGH QUALITY LIQUID ASSETS (HQLA)					
1	High quality liquid assets	-	-	16.966.338	11.220.341
CASH OUTFLOWS					
2	Retail and Customers Deposits	-	-	-	-
3	Stable deposits	-	-	-	-
4	Less stable deposits	-	-	-	-
5	Unsecured Funding other than Retail and Small Business Customers Deposits	6.221.294	4.896.260	4.981.502	3.737.188
6	Operational deposits	843.312	759.154	210.828	189.789
7	Non-Operational Deposits	-	-	-	-
8	Other Unsecured Funding	5.377.982	4.137.106	4.770.674	3.547.399
9	Secured funding			-	-
10	Other Cash Outflows	592.025	966.020	592.025	966.020
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	359.690	733.685	359.690	733.685
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	232.335	232.335	232.335	232.335
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	22.252.220	17.610.731	2.608.548	1.744.866
16	**TOTAL CASH OUTFLOWS**	**-**	**-**	**8.182.075**	**6.448.074**
CASH INFLOWS					
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	19.230.701	7.612.111	16.060.356	4.684.930
19	Other contractual cash inflows	771.997	6.928.277	771.997	6.928.277
20	**TOTAL CASH INFLOWS**	**20.002.698**	**14.540.388**	**16.832.353**	**11.613.207**
				Üst Sınır Uygulanmış Değerler	
21	**TOTAL HQLA STOCK**	**-**	**-**	**16.966.338**	**11.220.341**
22	**TOTAL NET CASH OUTFLOWS**	**-**	**-**	**2.045.519**	**1.612.019**
23	**LIQUIDITY COVERAGE RATIO (%)**	**-**	**-**	**829**	**696**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio (Contiued)

3. Minimum explanations related to the liquidity coverage ratio by Banks:

As per The Regulation on The Calculation of Liquidity Coverage Ratio, Liquidity Coverage Ratio is the ratio of high quality liquid assets to net cash outflows. Total and foreign currency limits 100% and 80% are assigned on consolidated and unconsolidated basis respectively. For the development and investment banks, Banking Regulations and Supervision Agency decided to apply zero percent to the total and foreign currency consolidated and unconsolidated liquidity coverage ratios unless stated otherwise.

In the Liquidity Coverage Ratio calculation, the items with the highest impact are high quality liquid assets, foreign funds and money market transactions. High quality liquid assets mainly consist of the required reserves held in the Central Bank of the Republic of Turkey and unencumbered securities issued by the Treasury.

Main funding source of the Bank is long term loans attained from international financial institutions. The ratio of those loans in total funding is around 60%. The total ratio of the securities issued in purpose of funding diversification and loans attained through subordinated loans and syndication loans in overall borrowing is 38%. 2% of the Bank's total funding is provided from the repo money markets.

30-day cash flows arising from derivative transactions are included in the calculation in accordance with the Regulation. The Bank also takes into consideration the liabilities depending on the possibility of changing the fair values of the derivative transactions in accordance with the Regulation.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio (Contiued)

Presentation of assets and liabilities according to their remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (1)(2)	Total (2)
Current Period								
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	-	2.880.425	-	-	-	-	-	2.880.425
Banks	1.361.227	6.314.635	-	-	-	-	-	7.675.862
Financial Assets at Fair Value Through Profit and Loss (3)	-	2.049.320	292.811	715.309	-	-	1.383.875	4.441.315
Money Market Placements	-	598.282	486.627	838.982	-	-	-	1.923.891
Financial Assets at Fair Value Through Other Comprehensive Income	-	165.346	101.361	1.985.287	13.443.735	1.567.293	1.089.867	18.352.889
Loans	-	6.308.896	10.474.197	36.465.858	84.725.854	25.227.508	-	163.202.313
Financial Assets Measured at Amortized Cost	-	3.003	-	2.471.406	12.316.222	9.429.084	-	24.219.715
Other Assets (2)	-	-	-	-	-	-	8.563.947	8.563.947
Total Assets	**1.361.227**	**18.319.907**	**11.354.996**	**42.476.842**	**110.485.811**	**36.223.885**	**11.037.689**	**231.260.357**
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions (4)	-	608.672	3.016.304	22.558.779	42.069.606	55.747.228	-	124.000.589
Money Market Borrowings	-	3.280.103	421	-	-	-	-	3.280.524
Marketable Securities Issued	-	14.761.075	1.786.539	282.800	45.532.378	-	-	62.362.792
Miscellaneous Payables	-	-	-	-	-	-	3.099.744	3.099.744
Other Liabilities	-	692.067	199.610	556.970	185.004	-	36.883.057	38.516.708
Total Liabilities	-	**19.341.917**	**5.002.874**	**23.398.549**	**87.786.988**	**55.747.228**	**39.982.801**	**231.260.357**
Liquidity Gap	**1.361.227**	**(1.022.010)**	**6.352.122**	**19.078.293**	**22.698.823**	**(19.523.343)**	**(28.945.112)**	**-**
Net Off-balance sheet Position	**-**	**739.665**	**216.047**	**115.452**	**716.524**	**(6.886)**	**-**	**1.780.802**
Financial Derivative Assets	-	28.639.066	7.606.176	14.631.450	37.904.292	4.817.848	-	93.598.832
Financial Derivative Liabilities	-	27.899.401	7.390.129	14.515.998	37.187.768	4.824.734	-	91.818.030
Non-cash Loans	-	803.618	3.927.079	7.341.596	2.175.410	6.263.934	1.083.703	21.595.340
Total Assets								
Total Liabilities	398.682	20.509.152	12.819.355	32.910.674	77.015.545	28.311.382	4.919.247	176.884.037
Liquidity Gap	-	3.945.388	5.407.740	20.684.628	75.070.217	43.824.790	27.951.274	176.884.037
Net Off-balance sheet Position	**398.682**	**16.563.764**	**7.411.615**	**12.226.046**	**1.945.328**	**(15.513.408)**	**(23.032.027)**	**-**
Financial Derivative Assets	**-**	**(22.337)**	**(348.496)**	**(257.864)**	**386.317**	**(4.475)**	**-**	**(246.855)**
Financial Derivative Liabilities	-	7.390.823	8.245.327	6.841.241	40.331.116	5.960.470	-	68.768.977
Non-cash Loans	-	7.413.160	8.593.823	7.099.105	39.944.799	5.964.945	-	69.015.832
Current Period	-	1.601.176	867.555	2.570.079	2.909.879	3.560.593	713.563	12.222.845

(1) Other active and foreign resources that are required for the continuation of banking activities, such as tangible and intangible assets, affiliates and subsidiaries, deferred tax assets, in-kind assets, prepaid expenses and receivables under follow-up, total equity, provisions, tax liabilities, etc., are shown in the "Undistributed" column.

(2) Expected credit losses for stage 1 and stage 2 are shown on the other assets, undistributed.

(3) Includes derivative financial assets and Financial Assets at Fair Value Through Profit and Losses.

(4) Its also classified under subordinated loans on the balance sheet and the bonds with secondary capital-like credit quality issued

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio (Contiued)

Analysis of financial liabilities by remaining contractual maturities

In compliance with the Turkish Financial Reporting Standard No.7, the following table indicates the maturities of the Bank's major financial liabilities which are not qualified as derivatives. The following tables have been prepared by referencing the earliest dates of undiscounted cashflow of financial liabilities.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments	Total
Liabilities							
Funds Provided from Other Financial Institutions	592.872	3.475.712	27.058.141	59.324.006	73.596.491	(40.046.633)	124.000.589
Money Market Borrowings	3.285.151	460	-	-	-	(5.087)	3.280.524
Marketable Securities Issued	14.807.925	2.029.916	2.734.196	55.993.845	-	(13.203.090)	62.362.792
Funds	683.899	-	-	-	-	-	683.899
Leasing Liabilities	15.665	19.014	84.847	230.681	-	(102.452)	247.755
Total	**19.385.512**	**5.525.102**	**29.877.184**	**115.548.532**	**73.596.491**	**(53.357.262)**	**190.575.559**

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments	Total
Liabilities							
Funds Provided from Other Financial Institutions	767.978	4.696.492	24.498.756	60.879.148	59.978.085	(37.926.259)	112.894.200
Money Market Borrowings	1.872.180	620.349	-	-	-	(11.470)	2.481.059
Marketable Securities Issued	654.077	434.177	1.548.503	35.383.468	-	(5.793.134)	32.227.091
Funds	1.482.480	-	-	-	-	-	1.482.480
Leasing Liabilities	8.115	8.089	32.357	150.150	-	(71.415)	127.296
Total	**4.784.830**	**5.759.107**	**26.079.616**	**96.412.766**	**59.978.085**	**(43.802.278)**	**149.212.126**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio (Contiued)

Analysis of financial liabilities by remaining contractual maturities (Contiued)

Analysis of contractual expiry by maturity of the Bank's derivative financial instruments:

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Swap Contracts	55.888.830	14.922.202	28.920.872	75.092.060	9.642.582	184.466.546
Forward Contracts	610.467	74.103	226.576	-	-	911.146
Futures Transactions	-	-	-	-	-	-
Options	39.170	-	-	-	-	39.170
Other	-	-	-	-	-	-
Total	**56.538.467**	**14.996.305**	**29.147.448**	**75.092.060**	**9.642.582**	**185.416.862**

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Year	Total
Swap Contracts	14.500.985	16.399.747	13.574.103	80.275.915	11.925.415	136.676.165
Forward Contracts	303.001	439.402	366.241	-	-	1.108.644
Futures Transactions	-	-	-	-	-	-
Options	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	**14.803.986**	**16.839.149**	**13.940.344**	**80.275.915**	**11.925.415**	**137.784.809**

4. Net stable funds ratio

Pursuant to the "Regulation on the Calculation of Banks' Net Stable Funding Ratio" published in the Official Gazette dated May 26, 2023 and numbered 32202, the procedures and principles have been determined to ensure that banks provide stable funding in order to prevent the deterioration of their liquidity levels due to the funding risk that they may be exposed to on a consolidated and non-consolidated basis in the long term.

The net stable funding ratio is calculated on a consolidated and non-consolidated basis by dividing the current stable fund amount by the required stable fund amount. The current stable fund represents the part of banks' liabilities and equity capital that is expected to be permanent; the required stable fund represents the part of banks' on-balance sheet assets and off-balance sheet liabilities that are expected to be re-funded. The current stable fund amount is calculated by adding the amounts to be found after applying the relevant consideration rates to the amounts of banks' liabilities and equity elements valued in accordance with TFRS. The required stable fund amount is calculated by adding the amounts to be found after applying the relevant consideration ratios to the value calculated by deducting the special provisions set aside in accordance with the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Set Aside from the amounts of the banks' on-balance sheet assets valued in accordance with TFRS and off-balance sheet liabilities.

The three-month simple arithmetic average of the consolidated and non-consolidated net stable funding ratio calculated monthly as of the equity calculation periods cannot be less than one hundred percent as of the March, June, September and December periods.

Development and investment banks are exempt from meeting the minimum ratios until otherwise determined by the Board. The three-month simple arithmetic average of the net stable funding ratios for the last three months including the reporting period is calculated as 127,00%, and the three-month simple arithmetic average for the previous period is calculated as 133,63%.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio (Contiued)

4. Net stable funds ratio (Contiued)

	Current Period	**a**	**b**	**c**	**ç**	**d**
		Amount to which the Consideration Rate is not Applied, Based on the Remaining Maturity				**Total Amount Applied to Consideration Rate**
		Undates	**Less than 6 Months Term**	**6 Months to More than 6 Months and Less than 1 Year Term**	**1 Year and Longer Term**	
	Total Amount Applied to Consideration Rate					
1	Equity Items	34.733.929	-	-	10.519.950	45.253.879
2	Core capital and supplementary capital	34.733.929	-	-	10.519.950	45.253.879
3	Other Equity Items	-	-	-	-	-
4	Individual and retail customer deposit/participation fund	-	-	-	-	-
5	Stable deposit/participation fund	-	-	-	-	-
6	Less stable deposits/participation fund	-	-	-	-	-
7	Debts to other persons	683.899	32.928.355	13.139.396	133.022.870	145.814.899
8	Operational deposit/participation fund	683.899	-	-	-	341.950
9	Other debts	-	32.928.355	13.139.396	133.022.870	145.472.949
10	Liabilities equivalent to interconnected assets					
11	Other liabilities	4.307.772	1.121.633	-	-	-
12	Derivative liabilities				698.546	
13	Other equity items and liabilities Not included above	4.307.772	423.087	-	-	-
14	**Current Stable Fund**					**191.068.778**
	Stable Fund Required					
15	High quality liquid assets					11.757.090
16	Operational deposit/participation fund deposited in credit institutions or financial institutions	-	-	-	-	-
17	Live receivers	80.417	38.317.989	23.351.297	110.930.850	119.082.928
18	Receivables from credit institutions or financial institutions whose collateral is first-class liquid assets	-	-	-	-	-
19	Secured receivables from credit institutions or financial institutions that are not secured or whose collateral is not first-class liquid assets	-	16.332.676	3.421.530	3.174.417	7.335.083
20	Receivables from corporate customers, institutions, real persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions.	-	21.655.191	19.924.695	107.445.234	111.280.966
21	Receivables subject to a risk weight of 35% or less	-	-	-	4.187.132	2.721.636
22	Receivables secured by residential real estate mortgages	-	-	-	-	-
23	Receivables subject to a risk weight of 35% or less	-	-	-	-	-
24	Stocks and debt instruments traded on the stock exchange that do not qualify as high-quality liquid assets	80.417	330.122	5.072	311.199	466.879
25	Assets equivalent to interdependent liabilities					
26	other assets	15.781.080	981.776	-	-	16.701.688
27	Physically delivered commodities including gold	-				-
28	Initial collateral for derivative contracts or guarantee fund given to the central counterparty				407.787	346.619
29	Derivative assets				42.398	42.398
30	Amount of derivative liabilities before deducting the variation margin				73.887	73.887
31	Other assets not listed above	15.781.080	457.704	-	-	16.238.784
32	Off-balance sheet liabilities		10.818.337	3.367.556	18.015.448	1.610.067
33	**Stable Fund Required**					**149.151.773**
34	**Net Stable Funding Rate (%)**					**128,10**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations related to the liquidity risk management, liquidity coverage ratio and net stable funding ratio (Contiued)

4. Net stable funds ratio (Contiued)

Prior Period		a	b	c	ç	d
		Amount to which the Consideration Rate is not Applied, Based on the Remaining Maturity				
		Undates	**Less than 6 Months Term**	**6 Months to More than 6 Months and Less than 1 Year Term**	**1 Year and Longer Term**	**Total Amount Applied to Consideration Rate**
Total Amount Applied to Consideration Rate						
1	Equity Items	21.943.399	-	-	5.871.100	27.814.499
2	Core capital and supplementary capital	21.943.399	-	-	5.871.100	27.814.499
3	Other Equity Items	-	-	-	-	-
4	Individual and retail customer deposit/participation fund	-	-	-	-	-
5	Stable deposit/participation fund	-	-	-	-	-
6	Less stable deposits/participation fund	-	-	-	-	-
7	Debts to other persons	1.482.480	15.732.744	12.931.665	113.021.957	123.304.924
8	Operational deposit/participation fund	1.482.480	-	-	-	741.240
9	Other debts	-	15.732.744	12.931.665	113.021.957	122.563.684
10	Liabilities equivalent to interconnected assets					
11	Other liabilities	3.377.022	1.021.833	-	-	-
12	Derivative liabilities				850.909	
13	Other equity items and liabilities Not included above	3.377.022	170.924	-	-	-
14	**Current Stable Fund**					**151.119.423**
Stable Fund Required						
15	High quality liquid assets					9.911.111
16	Operational deposit/participation fund deposited in credit institutions or financial institutions	-	-	-	-	-
17	Live receivers	90.885	42.012.443	13.995.953	82.197.391	91.116.205
18	Receivables from credit institutions or financial institutions whose collateral is first-class liquid assets	-	-	-	-	-
19	Secured receivables from credit institutions or financial institutions that are not secured or whose collateral is not first-class liquid assets	-	19.615.870	2.054.612	2.607.588	6.577.274
20	Receivables from corporate customers, institutions, real persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions.	-	22.396.573	11.927.504	79.488.912	84.369.003
21	Receivables subject to a risk weight of 35% or less	-	-	-	1.793.055	1.165.486
22	Receivables secured by residential real estate mortgages	-	-	-	-	-
23	Receivables subject to a risk weight of 35% or less	-	-	-	-	-
24	Stocks and debt instruments traded on the stock exchange that do not qualify as high-quality liquid assets	90.885	-	13.837	100.891	169.928
25	Assets equivalent to interdependent liabilities					
26	other assets	9.962.163	1.308.270	-	-	11.243.241
27	Physically delivered commodities including gold	-				-
28	Initial collateral for derivative contracts or guarantee fund given to the central counterparty			181.277		154.085
29	Derivative assets			160.891		160.891
30	Amount of derivative liabilities before deducting the variation margin			99.665		99.665
31	Other assets not listed above	9.962.163	866.437	-	-	10.828.600
32	Off-balance sheet liabilities		3.214.530	3.629.626	13.576.521	1.021.034
33	**Stable Fund Required**					**113.291.591**
34	**Net Stable Funding Rate (%)**					**133,39**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations related to leverage ratio

a) Information on subjects that causes difference in leverage ratio between current and prior period

The table related to calculation of leverage ratio in accordance with the principles of the "Regulation on Measurement and Evaluation of Banks' Leverage Level" which is published on the Official Gazette no.28812 dated 5 November 2013 is given below.

As of the Bank's balance sheet date, the leverage ratio, calculated on the basis of the arithmetic average of the values found at the end of the month in the past three months, was 15,91% (December 31, 2023: 13,37%). The amount of assets on the balance sheet increased by 30,71% compared to the previous period.

b) Leverage Ratio

		Current Period [1]	Prior Period [1]
	Balance sheet Assets		
1	Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	226.387.749	173.192.742
2	(Assets deducted from Core Capital)	(1.127.959)	(1.159.456)
3	**Total risk amount of balance sheet assets (sum of lines 1 and 2)**	**225.259.790**	**172.033.286**
	Derivative financial assets and credit derivatives		
4	Cost of replenishment for derivative financial assets and credit derivatives	173.100	777.323
5	Potential credit risk amount of derivative financial assets and credit derivatives	826.419	473.902
6	**Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)**	**999.519**	**1.251.225**
	Financing transactions secured by marketable security or commodity		
7	Risk amount of financing transactions secured by marketable security or commodity	1.523.553	866.749
8	Risk amount arising from intermediary transactions	-	-
9	**Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)**	**1.523.553**	**866.749**
	Off-balance sheet transactions		
10	Gross notional amount of off-balance sheet transactions	38.899.158	22.619.761
11	(Correction amount due to multiplication with credit conversion rates)	(10.738.272)	(6.468.900)
12	**Total risk of off-balance sheet transactions (sum of lines 10 and 11)**	**28.160.886**	**16.150.861**
	Capital and total risk		
13	Core Capital	40.712.041	25.449.649
14	Total risk amount (sum of lines 3, 6, 9 and 12)	255.943.748	190.302.121
	Leverage ratio		
15	**Leverage ratio**	**15,91%**	**13,37%**

[1] The arithmetic average of the last three months in the related periods in accordance with BRSA Regulations

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations related to presentation of financial assets and liabilities at fair value

The table below shows the carrying and fair values of the financial assets and liabilities in the financial statements of the Bank.

	Book Value	Fair Value
	Current Period	**Current Period**
Financial Assets	**218.589.981**	**214.029.323**
Money Market Placements	1.923.891	1.923.891
Banks	7.675.862	7.675.862
Financial Assets at Fair Value Through Other Comprehensive Income	18.352.889	18.352.889
Financial asset measured at amortized cost	24.219.715	23.405.835
Loans (1)	166.417.624	162.670.846
Financial Liabilities	**194.496.795**	**193.024.683**
Bank Deposits	-	-
Other Deposits	-	-
Funds Provided From Other Financial Institutions (2)	127.965.012	127.965.012
Marketable Securities Issued (3)	62.362.792	60.890.680
Miscellaneous Payables	4.168.991	4.168.991

(1) Loans include financial lease receivables.

(2) Funds provided from other financial institutions include loans received, additional subordinated loans classified under subordinated loans, detached funds and debts to money markets.

(3) The issued securities include bonds with additional subordinated capital credit characteristics, which are classified under subordinated capital credits.

	Book Value	Fair Value
	Prior Period	**Prior Period**
Financial Assets	**171.027.349**	**168.219.696**
Money Market Placements	7.417.408	7.417.408
Banks	4.765.821	4.765.821
Available-For-Sale Financial Assets	9.812.542	9.812.542
Held-To-Maturity Investments	18.894.112	19.624.447
Loans (1)	130.137.466	126.599.478
Financial Liabilities	**151.249.593**	**150.741.384**
Bank Deposits	-	-
Other Deposits	-	-
Funds Provided From Other Financial Institutions (2)	116.857.739	116.857.739
Marketable Securities Issued	32.227.091	31.718.882
Miscellaneous Payables	2.164.763	2.164.763

(1) Financial lease receivables are also included in the loans granted.

(2) Funds obtained from other financial institutions include loans received, additional subordinated loans classified under subordinated loans, detached funds and debts to money markets.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations related to presentation of financial assets and liabilities at fair value (continued)

The methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements:

i- For the fair value calculation of loans, the prevailing interest rates as of the reporting date were used.

ii- For the fair value calculation of the balances with banks, the prevailing interest rates as of the reporting date were used.

iii- For the fair value calculation of held-to-maturity investments, quoted prices as of the reporting date were used.

iv- For the fair value calculation of marketable securities issued, market prices as of the reporting date were used.

The following table shows an analysis of financial instruments recorded at fair value, between those whose fair value is recorded on quoted market prices, those involving valuation techniques where all model inputs are observable in the market and, those where the valuation techniques involves the use of non-observable inputs.

The table below analyses financial instruments carried at fair value, by valuation method.

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2).

c) Inputs for the asset or liability that are not based on observable market data (Level 3).

Current Period	**Level I**	**Level II**	**Level III**
Financial Assets			
Financial Assets at Fair Value Through Profit or Loss	1.383.876	-	-
Financial Assets at Fair Value Through Other Comprehensive Income (1)	11.691.435	6.543.780	97.732
Loans at Fair Value Through Profit or Loss	-	-	-
Derivative Financial Assets Held-for-trading (2)	-	1.938.032	-
Derivative Financial Assets for Hedging Purposes (2)	-	1.119.407	-
Financial Liabilities			
Derivative Financial Liabilities Held-for-trading (3)	-	880.418	-
Derivative Financial Liabilities for Hedging Purposes (3)	-	417.848	-

(1) Securities amounting to TL 19.941 under Financial Assets at Fair Value Through Other Comprehensive Income are reflected in the financial statements at their acquisition cost since they are not traded in an active market and these securities are not shown in this table.

(2) Positive differences from Derivative Financial Assets Held-for-trading and Derivative Financial Assets for Hedging Purposes are classified in "1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss "line in the balance sheet.

(3) Negative differences from Derivative Financial Liabilities Held-for-trading and Derivative Financial Liabilities for Hedging Purposes are classified in "7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss "line in the balance sheet.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations related to presentation of financial assets and liabilities at fair value (Continued)

Prior Period	Level I	Level II	Level III
Financial Assets			
Financial Assets at Fair Value Through Profit or Loss	279.883	-	-
Financial Assets at Fair Value Through Other Comprehensive Income (1)	3.760.252	6.029.158	3.191
Loans at Fair Value Through Profit or Loss	-	-	-
Derivative Financial Assets Held-for-trading (2)	-	1.624.058	-
Derivative Financial Assets for Hedging Purposes (2)	-	310.639	-
Financial Liabilities			
Derivative Financial Liabilities Held-for-trading (3)	-	978.182	-
Derivative Financial Liabilities for Hedging Purposes (3)	-	169.976	-

(1) The securities of TL 19.941 under the item of financial assets whose fair value difference is reflected in other comprehensive income are reflected in the financial statements at the cost of acquisition due to the fact that they are not traded in an active market, and these securities are not shown in this table.

(2) The positive differences between Derivative Financial Assets for Trading and Derivative Differences for Hedging are shown in the financial statement under the line "1.4.1 Fair Value Difference Profit and Loss Portion of Derivative Financial Assets".

(3) The negative differences between Derivative Financial Liabilities for Trading and Derivative Financial Liabilities for Hedging are shown in the financial statement in the line "7.1 Fair Value Difference Profit Reflected in Loss" in the financial statement.

The statement of movement of financial assets at level 3 is given below.

	Current Period	Prior Period
Balance at Beginning of Period	**3.191**	**3.191**
Purchases	-	-
Redemption and sale	-	-
Valuation Differences	94.541	-
Transfers	-	-
Period end balance	**97.732**	**3.191**

The real estate recorded by the Bank under tangible assets at fair value is classified at level 2.

IX. Transactions made on behalf and account of others, explanations of faith-based transactions

The Bank provides management and consultancy services in financial matters such as buying, selling, storing, financial matters on behalf and on behalf of others. There is no faith-based transaction by the bank.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management

Linkages between financial statements and risk amounts

The footnotes prepared in accordance with the "Regulation on Calculation Risk Management Disclosures", which was published in the Official Gazette No. 29511 of 23 October 2015 and entered into force as of March 31, 2016, and the disclosures pertaining thereto are provided in this section.

As the standard approach is utilized for the calculation of the capital adequacy of the Bank, no statement has been included as regards the methods based on internal models as per the relevant communiqué.

Disclosures on the risk management approach and risk-weighted amount

Risk management approach of the Bank allows for ensuring the establishment of a common risk culture covering the entire institution within the scope of the policies and codes of practice designated by the Board of Directors, for identifying risks in harmony with international arrangements and for performing the activities of measurement, analysis, monitoring and reporting accordingly.

Risk Management Department has been established within the Bank in order to ensure compliance with the relevant policy, application principles and processes and to manage the risks faced by the Bank in line with these policies. The Risk Management Department, whose duties and responsibilities have been determined by regulations approved by the Board of Directors, carries out its activities independently from executive activities and executive units and under the Audit Committee. However, the Risk Committee has been established and meets regularly to assess the risks to which the Bank is exposed, to establish risk management policies and submit them for approval by the Board of Directors, to determine risk management practices and risk limits and submit them for approval by the Board of Directors, to monitor, to ensure coordination between the Bank's executive units and internal systems.

Risk Management Department develops the systems required within the process of risk management and carries out the relevant activities, monitors the compliance of risks with policies, standards, limits of the Bank and its risk appetite indicators and performs activities aimed at harmonization with the relevant legislation and the Basel criteria. Risk measurements are performed through the standard approaches for legal reporting and the advanced approaches are utilized internally. It is also supported by stress tests applied.

Risk Management Department submits its detailed risk management reports prepared on monthly and quarterly basis to the Board of Directors via the Audit Committee. These reports cover measurements regarding main risks, stress tests and scenario analyses and the status of compliance with the identified limit levels and risk appetite indicators.

Prospective risk assessments are carried out by conducting periodical stress tests on loan, market, interest and liquidity risks and the impact of results on the overall financial power of the Bank is evaluated. The relevant results are notified to the Audit Committee and contribute to the assessment of the financial structure of the Bank at the moment of stress. Stress test scenarios are determined by evaluating the impacts posed by previous economic crises on macroeconomic indicators and expectations from the upcoming period. By estimating the risks and capital position of the Bank within the upcoming period, various analyses are performed in terms of legal and internal capital adequacy ratios, and the ICAAP (Internal Capital Adequacy Assessment Process) report is submitted to the BRSA.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

Overview of risk weighted assets

		Risk Weighted Amount		Minimum Capital Requirement
		Current Period	**Prior Period**	**Current Period**
1	Credit risk (excluding counterparty credit risk)	137.511.212	89.765.601	11.000.897
2	Standardized approach	137.511.212	89.765.601	11.000.897
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	1.373.221	1.169.624	109.858
5	Standardized approach for counterparty credit risk	1.373.221	1.169.624	109.858
6	Internal model method	-	-	-
7	Basic risk weight approach to internal models' equity position in the banking account	-	-	-
8	Investments made in collective investment companies look-through approach	-	-	-
9	Investments made in collective investment companies mandate-based approach	-	-	-
10	Investments made in collective investment companies 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB supervisory formula approach	-	-	-
15	Simplified supervisory formula approach	-	-	-
16	Market risk	1.510.425	1.741.625	120.834
17	Standardized approach	1.510.425	1.741.625	120.834
18	Internal model approaches	-	-	-
19	Operational risk	14.736.765	8.285.932	1.178.941
20	Basic indicator approach	14.736.765	8.285.932	1.178.941
21	Standard approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	8.155.088	5.376.331	652.407
24	Floor adjustment	-	-	-
25	**Total (1+4+7+8+9+10+11+12+16+19+23+24)**	**163.286.711**	**106.339.113**	**13.062.937**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

Linkages between financial statements and risk amounts (continued)

Differences and linkage between asset and liabilities' carrying values in financial statements and amounts in capital adequacy calculation

Current Period		Carrying values of items in accordance with Turkish Accounting Standards				
Assets	**Carrying values in financial statements prepared as per TAS**	**Subject to credit risk**	**Subject to counterparty credit risk**	**Securitization Position**	**Subject to market risk [(1)]**	**Not subject to capital requirements or subject to deduction from capital**
Cash and balances at Central Bank	2.877.323	2.880.425	-	-	-	-
Banks	7.675.602	7.325.594	390.595	-	-	-
Money Market Placements	1.923.483	1.923.891	-	-	-	-
Financial Assets at Fair Value Through Profit or Loss	1.383.876	1.358.675	-	-	25.201	-
Financial Assets at Fair Value Through Other Comprehensive Incomer	18.352.889	18.352.889	1.985.056	-	-	-
Financial Assets Measured at Amortized Cost	24.199.515	24.219.715	3.072.276	-	-	-
Derivative Financial Assets	3.057.439		3.057.439	-	730.689	-
Loans	158.090.684	166.000.070	-	-	-	-
Leasing Receivables	299.705	417.552	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Assets Held for Sale and Discontinued Operations (net)	-	-	-	-	-	-
Associates (net)	4.201.492	4.201.492	-	-	-	1.127.748
Subsidiaries (net)	5.219.274	5.219.274	-	-	-	-
Joint-Ventures (net)	-	-	-	-	-	-
Tangible Assets (net)	572.644	567.081	-	-	-	5.563
Intangible Assets (net)	5.985		-	-	-	5.985
Investment Properties (net)	-	-	-	-	-	-
Tax Assets	-	-	-	-	-	-
Deferred Tax Assets	265.107	265.107	-	-	-	-
Other Assets	3.135.339	2.130.639	1.020.148	-	-	-
Total Assets	**231.260.357**	**234.862.404**	**10.155.514**	**-**	**755.890**	**1.139.296**

[(1)] The amounts of the financial instruments included in the trading accounts within the scope of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks in accordance with the IAS are included.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

Linkages between financial statements and risk amounts (continued)

Differences and linkage between asset and liabilities' carrying values in financial statements and amounts in capital adequacy calculation (continued)

Prior Period		Carrying values of items in accordance with Turkish Accounting Standard				
Liabilities	Carrying values in financial statements prepared as per TAS	Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk [1]	Not subject to capital requirements or subject to deduction from capital
Deposits	-	-	-	-	-	-
Funds Borrowed	124.000.589	-	717.434	-	-	123.282.155
Money Market Funds	3.280.524	-	3.280.524	-	-	-
Securities Issued	51.561.928	-	-	-	-	51.561.928
Funds	683.899	-	-	-	-	683.899
Financial Liabilities at Fair Value Through Profit or Loss	-	-	-	-	-	-
Derivative Financial Liabilities	1.298.266	-	617.723	-	612.694	74.905
Factoring Payables	-	-	-	-	-	-
Lease Payables	247.755	-	-	-	-	247.755
Provisions	2.369.987	-	-	-	-	2.369.987
Current Tax Liability	368.765	-	-	-	-	368.765
Deferred tax Liability	-	-	-	-	-	-
Liabilities for Assets Held for Sale and Discontinued Operations (net)	-	-	-	-	-	-
Subordinated Debts	10.800.864	-	-	-	-	10.800.864
Other Liabilities	4.168.991	-	2.517.413	-	-	1.651.578
Shareholders' Equity	32.478.789	-	-	-	-	32.478.789
Total Liabilities	**231.260.357**	**-**	**7.133.094**	**-**	**612.694**	**223.514.569**

[1] The amounts of the financial instruments included in the trading accounts within the scope of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks in accordance with the IAS are included.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

Linkages between financial statements and risk amounts (continued)

Differences and linkage between asset and liabilities' carrying values in financial statements and amounts in capital adequacy calculation (continued)

Prior Period		**Carrying values of items in accordance with Turkish Accounting Standards**				
Assets	**Carrying values in financial statements prepared as per TAS**	**Subject to credit risk**	**Subject to counterparty credit risk**	**Securitization Positions**	**Subject to market risk [1]**	**Not subject to capital requirements or subject to deduction from capital**
Cash and balances at Central Bank	2.942.304	2.942.824	-	-	-	-
Banks	4.765.689	4.633.883	290.472	-	-	-
Money Market Placements	7.417.074	7.417.408	-	-	-	-
Financial Assets at Fair Value Through Profit or Loss	279.883	263.352	-	-	16.531	-
Financial Assets at Fair Value Through Other Comprehensive Income	9.812.542	9.812.542	919.660	-	-	-
Financial Assets Measured at Amortized Cost	18.880.650	18.894.112	2.618.244	-	-	-
Derivative Financial Assets	1.934.697		1.934.697	-	1.005.504	-
Loans	121.543.134	129.685.095	-	-	-	-
Leasing Receivables	379.739	452.370	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Assets Held for Sale and Discontinued Operations (net)	-	-	-	-	-	-
Associates (net)	2.825.834	2.825.834	-	-	-	765.827
Subsidiaries (net)	3.676.484	3.676.484	-	-	-	-
Joint-Ventures (net)	-	-	-	-	-	-
Tangible Assets (net)	450.137	446.852	-	-	-	3.285
Intangible Assets (net)	5.295		-	-	-	5.295
Investment Properties (net)	-	-	-	-	-	-
Tax Assets	-	-	-	-	-	-
Deferred Tax Assets	1.446.999	1.446.999	-	-	-	-
Other Assets	523.576	363.835	70.927	-	-	161.265
Total Assets	**176.884.037**	**182.861.590**	**5.834.000**	**-**	**1.022.035**	**935.672**

[1] The amounts of the financial instruments included in the trading accounts within the scope of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks in accordance with the IAS are included

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X Explanations related to risk management (continued)

Linkages between financial statements and risk amounts (continued)

Differences and linkage between asset and liabilities' carrying values in financial statements and amounts in capital adequacy calculation (continued)

Prior Period		Carrying values of items in accordance with Turkish Accounting Standards				
Liabilities	Carrying values in financial statements prepared as per TAS	Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk [1]	Not subject to capital requirements or subject to deduction from capital
Deposits	-	-	-	-	-	-
Funds Borrowed	106.851.110	-	-	-	-	106.851.110
Money Market Funds	2.481.059	-	2.481.059	-	-	-
Securities Issued	32.227.091	-	-	-	-	32.227.091
Funds	1.482.480	-	-	-	-	1.482.480
Financial Liabilities at Fair Value Through Profit or Loss	-	-	-	-	-	-
Derivative Financial Liabilities	1.148.158	-	297.249	-	856.806	14.534
Factoring Payables	-	-	-	-	-	-
Lease Payables	127.296	-	-	-	-	127.296
Provisions	2.052.585	-	-	-	-	2.052.585
Current Tax Liability	894.735	-	-	-	-	894.735
Deferred Tax Liability	-	-	-	-	-	-
Liabilities for Assets Held for Sale and Discontinued Operations (net)	-	-	-	-	-	-
Subordinated Debts	6.043.090	-	-	-	-	6.043.090
Other Liabilities	2.164.763	-	1.622.295	-	-	542.468
Shareholders' Equity	21.411.670	-	-	-	-	21.411.670
Total Liabilities	**176.884.037**	**-**	**4.400.603**	**-**	**856.806**	**171.647.059**

[1] The amount of the financial instruments included in the trading accounts in accordance with TAS within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" has been included.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

Linkages between financial statements and risk amounts (continued)

The main sources of the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

	Current Period	Total	Credit Risk	Securitization Positions	Counterparty credit risk	Market risk
1	Asset carrying value amount under scope of regulatory consolidation[1]	231.260.357	234.862.404	-	10.155.514	755.890
2	Liabilities carrying value amount under regulatory scope of consolidation[1]	231.260.357	-	-	7.133.094	612.694
3	**Total net amount**		**234.862.404**	**-**	**3.022.420**	**143.196**
4	Off-balance sheet amounts r	218.466.504	15.241.820	-	556.530	-
5	Differences due to prudential filters	-	(53.220.054)	-	(734.211)	1.367.229
6	**Risk Amounts**	**-**	**196.884.169**	-	**2.844.739**	**1.510.425**

[1] The differences between the values of the assets and liabilities included in the financial statement values and the capital adequacy calculation and the amounts in the matching table.

	Prior Period	Total	Credit Risk	Securitization Position	Counterparty credit risk	Market risk
1	Asset carrying value amount under scope of regulatory consolidation[1]	176.884.037	182.861.590	-	5.834.000	1.022.035
2	Liabilities carrying value amount under regulatory scope of consolidation[1]	176.884.037	-	-	4.400.603	856.806
3	**Total net amount**		**182.861.590**	**-**	**1.433.397**	**165.229**
4	Off-balance sheet amounts	158.547.525	10.129.868	-	516.854	-
5	Differences due to prudential filters	-	(60.223.030)	-	(301.007)	1.576.396
6	**Risk Amounts**	**-**	**132.768.428**	-	**1.649.244**	**1.741.625**

[1] The differences between the values of the assets and liabilities included in the financial statement values and the capital adequacy calculation and the amounts in the matching table.

Difference between the amounts of assets within the scope of legal consolidation as valued in accordance with TAS and credit risk exposures results from the transactions which are not subject to credit risk. Difference between off-balance sheet exposures and credit risk exposures results from the application of credit conversion factors to off-balance sheet exposures in line with the Regulation on the Measurement and Assessment of the Capital Adequacy of Banks.

The Bank takes into account the prudent valuation principles and principles in Annex-3 annexed to the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks for all positions in trading or banking accounts to be taken into account in the measurement of capital adequacy with its fair value. The Bank uses the valuation method with market value as much as possible and the valuation methods are included in detail in the third section of the report under the heading VII. Explanations for Financial Instruments in the Accounting Policies section of the report.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

Explanations related to credit risk

General qualitative information on credit risk

Credit risk is the possibility of incurring losses due to fulfill the credit customer or the counterparty, with whom the Bank has made an agreement with, does not fulfill its obligations appropriately or is not able to meet these obligations. While the largest and most visible source of credit risk consists of the loans extended by the bank, other assets included in balance sheets, non-cash loans and commitments are also taken into consideration within the scope of credit risk.

Credit risk is measured and managed in accordance with the Credit Risk Policies developed within the scope of the Risk Management Policies of the Bank. In this sense, the structure and characteristics of a loan, the provisions of loan agreements and financial conditions, structure of the risk profile until the end of maturity in parallel with potential market trends, guarantees and collaterals, internal risk ratings and potential changes with regard to the ratings in the process of risk exposure and concentrations (a single company, a group of affiliated companies, sector, country etc.) are taken into consideration. Compliance with the limits and risk appetite levels determined by the Board of Directors is monitored. Credit risk is managed by loan allocation and loan monitoring units in the Bank. Creditworthiness of loan customers is monitored and reviewed on a regular basis. Credit limits are set by the Board of Directors, the credit committee of the bank and the loan management. The Bank receives a sufficient amount of collateral in return for the loans extended thereby and its other receivables.

Credit risk is measured, monitored and reported by the Risk Management Department. Concentrations in the loan portfolio, loan quality of the portfolio, collateral structure, measurements concerning capital adequacy, stress tests and scenario analyses and the level of compliance with limits are regularly reported to the Board of Directors and the senior management.

Credit quality of assets

		Gross Carrying Value in Financial Statements Prepared in Accordance with Turkish Accounting Standards (TAS)		Allowances/amortization and impairments	Net Values (a+b+c)
Current Period		**Defaulted (a)**	**Non-defaulted (b)**	**(c)**	**(d)**
1	Loans	3.673.015	196.625.353	8.046.452	192.251.916
2	Debt Securities	-	41.604.901	122.163	41.482.738
3	Off-balance sheet	8.306	33.158.907	117.571	33.049.642
4	**Total**	**3.681.321**	**271.389.161**	**8.286.186**	**266.784.296**

		Gross Carrying Value in Financial Statements Prepared in Accordance with Turkish Accounting Standards (TAS)		Allowances/amortization and impairments	Net Values (a+b-c)
Prior Period		**Defaulted (a)**	**Non-defaulted (b)**	**(c)**	**(d)**
1	Loans	3.939.162	158.533.072	8.217.105	154.255.129
2	Debt Securities	-	27.929.603	90.302	27.839.301
3	Off-balance sheet	265.751	20.691.830	194.865	20.762.716
4	**Total**	**4.204.913**	**207.154.505**	**8.502.272**	**202.857.146**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

Explanations related to credit risk (continued)

Changes in stock of default loans and debt securities

	Current Period	Balance
1	**Defaulted loans and debt securities at end of the previous reporting period**	**4.204.913**
2	Loans and debt securities that have defaulted since the last reporting period	269.571
3	Receivables back to non-defaulted status	-
4	Amounts written off	-
5	Other changes [1]	(793.163)
6	**Defaulted loans and debt securities at end of the reporting period (1+2+3+4±5)**	**3.681.321**

	Prior Period	Balance
1	**Defaulted loans and debt securities at end of the previous reporting period**	**2.331.032**
2	Loans and debt securities that have defaulted since the last reporting period	2.246.077
3	Receivables back to non-defaulted status	-
4	Amounts written off	84.611
5	Other changes[1]	(287.585)
6	**Defaulted loans and debt securities at end of the reporting period (1+2+3+4±5)**	**4.204.913**

[1] Includes collections from defaulted receivables during the period.

Additional disclosure related to the credit quality of assets

The Bank considers stage 2 loans that collections of principal and interest payments have not been realized on due dates as past due in accordance with the "Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables".

Loans that collections of principal and interest payments are over due more than 90 days and losing creditworthiness is considered by the Bank as impaired or provisioned loans.

General loan loss provision is calculated for past due loans; Specific provision is calculated for impaired loans. The methods used in determining the provision amounts are explained in Section Three Note VIII.

Refinancing and restructuring; is the replacement of one or several loans extended by the Bank to a new loan that will cover the principal or interest payment in whole or in part due to the financial distress expected by the customer or the group in the present or future or change the terms in the current loans to ensure that the debt can be paid.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

Explanations related to credit risk (continued)

Breakdown of receivables according to major regions, sector and remaining maturities

Breakdown of receivables by major regions, sectors and remaining maturities is included in footnotes under Section Four, Note II, "Explanations Related to Credit Risk."

Impaired loans on the basis of major regions and sectors and amounts written off corresponding provisions

On the basis of geographical regions, the receivables from the Bank consist of domestic receivables.

On sectoral basis, the amount of the Bank's impaired loans and related provisions are included in footnotes under Section Four, Note II. "Information of major sectors or type of counterparties" explanations credit risk explanations.

As of December 31, 2024, the amount of written off receivables is none (December 31, 2023: TL 86.611).

Aging analysis for overdue receivables

The aging analysis of the receivables past due is included in footnotes under Section Four, Note II. "Explanations related to credit risk".

Credit risk mitigation

Qualitative disclosure on credit risk mitigation techniques

In the valuations made within the scope of credit risk mitigation techniques, the methods used in relation to the valuation and management of colleteral are carried out in parallel with the Communiqué on Credit Risk Mitigation Techniques. Offsetting is not used as a credit risk reduction technique.

Financial guarantees in the Bank are subject to valuation on a daily basis. Due to the use of the comprehensive financial collateral method, the risk-reducing effects of collateral are taken into account through standard volatility adjustments. The valuations of real estate mortgages used in capital adequacy calculations are reviewed at regular intervals.

It is ensured that the value of the real estate is determined by the valuation institutions authorized by the CMB.

The main collateral that the Bank can use within the scope of credit risk mitigation techniques are; financial collateral, guarantees and mortgages. In the reporting made as of December 31, 2024, guarantees and mortgages were used as credit risk reduction techniques in the calculation of the amount based on credit risk.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

Explanations related to credit risk (continued)

Credit risk mitigation (continued)

Qualitative disclosure on credit risk mitigation techniques (continued)

Credit risk mitigation techniques - Standard approach

	Current Period	Exposures unsecured: value in accordance with TAS	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1	Loans	182.043.286	9.508.944	3.469.244	699.686	9.326	-	-
2	Debt securities	41.482.738	-	-	-	-	-	-
3	**Total**	**223.526.024**	**9.508.944**	**3.469.244**	**699.686**	**9.326**	**-**	**-**
4	Of which defaulted	3.673.015	-	-	-	-	-	-

	Prior Period	Exposures unsecured: value in accordance with TAS	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees of which: secured amount	Exposures secured by credit derivative	Exposures secured by credit derivatives, of which: secured amount
1	Loans	150.381.458	2.915.770	1.060.702	957.901	14.696	-	-
2	Debt securities	27.839.301	-	-	-	-	-	-
3	**Total**	**178.220.759**	**2.915.770**	**1.060.702**	**957.901**	**14.696**	**-**	**-**
4	Of which defaulted	3.939.162	-	-	-	-	-	-

Credit risk under standard approach

Qualitative disclosures on banks' use of external credit ratings under the standardized approach for credit risk

The related disclosures are included in footnotes "Disclosures on Credit Risk" under Section Four, Note II "Explanations related to credit risk".

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

Explanations related to credit risk (continued)

Credit risk under standard approach (continued)

Credit risk exposure and credit risk mitigation effects

	Current Period	Exposures before credit conversion factor and credit risk mitigation		Exposures post credit conversion factor and credit risk mitigation		Risk weighted amount and risk weighted amount density	
	Risk Groups	On-Balance sheet amount	Off-balance sheet amount	On-Balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density
1	Exposures to sovereigns and their central banks	38.985.559	-	38.987.780	-	-	0%
2	Exposures to regional and local governments	-	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	16	232.156	16	46.431	46.447	100%
4	Exposures to multilateral development banks	106.747	-	106.747	-	-	0%
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to banks and securities firms	9.108.735	192.317	9.113.967	77.793	2.668.655	29%
7	Exposures to corporates	120.289.148	24.477.112	120.281.695	11.709.594	123.327.066	93%
8	Retail exposures	-	-	-	-	-	-
9	Exposures secured by residential real estate property	-	-		-	-	-
10	Exposures secured by commercial real estate property	3.198.999	-	3.198.999	-	1.599.500	50%
11	Past due receivables	3.672.723	-	457.704	-	228.852	50%
12	Exposures in higher-risk categories r	107	10.955	107	2.613	2.003	74%
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporate	-	-	-	-	-	-
15	Equity investments in the form of collective investment undertakings	1.397.348	-	1.397.348	-	1.397.348	100%
16	Other exposures	2.198.973	840.376	2.198.973	109.801	2.308.774	100%
17	Equity Investments	9.194.601	-	9.194.601	-	14.087.653	153%
18	**Total**	**188.152.956**	**25.752.916**	**184.937.937**	**11.946.232**	**145.666.299**	**74**%

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

Explanations related to credit risk (continued)

Credit risk under standard approach (continued)

	Prior Period	Exposures before credit conversion factor and credit risk mitigation		Exposures post credit conversion factor and credit risk mitigation		Risk weighted amount and risk weighted amount density	
	Risk Groups	**On-Balance sheet amount**	**Off-balance sheet amount**	**On-Balance sheet amount**	**Off-balance sheet amount**	**Risk weighted amount**	**Risk weighted amount density**
1	Exposures to sovereigns and their central banks	25.919.007	-	25.924.091	-	-	0%
2	Exposures to regional and local governments	-	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	-	7.897	-	1.579	1.579	100%
4	Exposures to multilateral development banks	39.951	-	39.951	-	-	0%
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to banks and securities firms	11.662.676	614.257	11.668.799	144.181	2.928.231	29%
7	Exposures to corporates	79.338.639	12.728.454	79.327.433	6.580.789	80.812.878	94%
8	Retail exposures	-	-	-	-	-	-
9	Exposures secured by residential real estate property	-	-	-	-	-	-
10	Exposures secured by commercial real estate property	952.426	-	952.426	-	476.213	50%
11	Past due receivables	3.938.826	-	866.437	-	433.218	50%
12	Exposures in higher-risk categories	82	170.429	82	57.187	57.803	150
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Equity investments in the form of collective investment undertakings	271.765	-	271.765	-	271.765	100%
16	Other exposures	517.230	363.214	516.946	103.663	621.346	100%
17	Equity Investments	6.313.099	-	6.313.099	-	9.538.899	154%
18	**Total**	**128.953.701**	**13.884.251**	**125.881.029**	**6.887.399**	**95.141.932**	**69%**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

Explanations related to credit risk (continued)

Credit risk under standard approach (continued)

Exposures by asset classes and risk weights

	Current Period **Risk Groups/Risk Weight**	**0%**	**10%**	**20%**	**25%**	**50% Secured by Real Estate Property**	**75%**	**100%**	**150%**	**200%**	**250%**	**500%**	**Total Risk Amount (After CCR and CVA)**
1	Exposures to sovereigns and their central banks	38.987.780	-	-	-	-	-	-	-	-	-	-	38.987.780
2	Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	-	46.447	-	-	-	-	46.447
4	Exposures to multilateral development banks	106.747	-	-	-	-	-	-	-	-	-	-	106.747
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and securities firms	-	-	6.446.625	-	2.731.609	-	13.526	-	-	-	-	9.191.760
7	Exposures to corporates	-	-	4.403.220	-	10.766.271	-	116.338.820	482.978	-	-	-	131.991.289
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-
9	Receivables secured by commercial real estate mortgages	-	-	-	-	3.198.999	-	-	-	-	-	-	3.198.999
10	Past due receivables	-	-	-	-	457.704	-	-	-	-	-	-	457.704
11	Exposures in higher-risk categories	-	-	-	-	2.077	-	-	643	-	-	-	2.720
12	Collateralized securities	-	-	-	-	-	-	-	-	-	-	-	-
13	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
14	Equity investments in the form of collective investment undertakings	-	-	-	-	-	-	1.397.348	-	-	-	-	1.397.348
15	Equity investments	-	-	-	-	-	-	5.932.566	-	-	3.262.035	-	9.194.601
16	Other exposures	-	-	-	-	-	-	2.308.774	-	-	-	-	2.308.774
17	**Total**	**39.094.527**	**-**	**10.849.845**	**-**	**17.156.660**	**-**	**126.037.481**	**483.621**	**-**	**3.262.035**	**-**	**196.884.169**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

Explanations related to credit risk (continued)

Credit risk under standard approach (continued)

Exposures by asset classes and risk weights

	Current Period **Risk Groups/Risk Weight**	**0%**	**10%**	**20%**	**25%**	**50% Secured by Real Estate Property**	**75%**	**100%**	**150%**	**200%**	**250%**	**Total Risk Amount (After CCR and CVA)**	**0%**
1	Exposures to sovereigns and their central banks	25.924.091	-	-	-	-	-	-	-	-	-	-	25.924.091
2	Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	-	1.579	-	-	-	-	1.579
4	Exposures to multilateral development banks	39.951	-	-	-	-	-	-	-	-	-	-	39.951
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and securities firms	-	-	9.959.566	-	1.834.193	-	19.221	-	-	-	-	11.812.980
7	Exposures to corporates	-	-	1.747.997	-	8.155.394	-	75.896.495	-	17.532	-	90.804	85.908.222
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-
9	Receivables secured by commercial real estate mortgages	-	-	-	-	952.426	-	-	-	-	-	-	952.426
10	Past due receivables	-	-	-	-	866.437	-	-	-	-	-	-	866.437
11	Exposures in higher-risk categories	-	-	-	-	3	-	56.196	1.070	-	-	-	57.269
12	Collateralized securities	-	-	-	-	-	-	-	-	-	-	-	-
13	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
14	Equity investments in the form of collective investment undertakings	-	-	-	-	-	-	271.765	-	-	-	-	271.765
15	Equity investments	-	-	-	-	-	-	4.162.566	-	-	2.150.533	-	6.313.099
16	Other exposures	-	-	-	-	-	-	619.135	1.474	-	-	-	620.609
17	**Total**	**25.964.042**	**-**	**11.707.563**	**-**	**11.808.453**	**-**	**81.026.957**	**2.544**	**17.532**	**2.150.533**	**90.804**	**132.768.428**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

Disclosures on counterparty credit risk (CCR)

Qualitative disclosures on CCR

Counterparty credit risk is managed by monitoring the concentrations at various levels with regard to counterparty credit risks, the capital requirement imposed by the counterparty credit risk and the limits set by the Board of Directors for counterparty transactions. Moreover, the ratio of the counterparty credit risk exposure to total risk-weighted assets has been identified as a risk appetite indicator.

Counterparty credit risk resulting from repurchase transactions, securities and commodities lending transactions and derivatives transactions is calculated within the framework of Annex 2 of the Regulation on the Measurement and Assessment of the Capital Adequacy of Banks. Fair Value Valuation Method is applied for derivatives transactions. Risk exposure of derivative transactions is equal to 1,4 times the sum of replacement cost and potential credit risk amount. Besides, capital requirement is also calculated for credit valuation adjustment (CVA) risk in relation to derivatives transactions. For repurchase and securities lending transactions risk amount is calculated considering volatility and credit quality level.

Derivatives transactions executed with counterparties are carried out within the scope of "ISDA" and "CSA" agreements. These agreements contain the same collateralization provisions for our Bank and counterparties and daily collateral settlement is performed.

Analysis of counterparty credit risk exposure by approach

	Current Period	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory exposure at default	Exposure at default post Credit risk mitigation	Risk weighted amount
1	Standard Approach to Counterparty Credit Risk Measurement (for derivatives)	202.944	293.569	-	1,4	695.118	306.795
2	Internal Model Method (for derivatives and securities financing transactions)	-	-	-	-	-	-
3	The simple method used for KRA is the financial collateral method (for securities financing transactions)	-	-	-	-	-	-
4	Comprehensive financial collateral method used for KRA (for securities financing transactions)	-	-	-	-	943.439	867.802
5	Value at risk for securities financing transactions	-	-	-	-	-	-
6	**Total**	-	-	-	-	-	**1.174.597**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

Disclosures on counterparty credit risk (CCR) (continued)

Analysis of counterparty credit risk exposure by approach (continued)

	Prior Period	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory exposure at default	Exposure at default post Credit risk mitigation	Risk weighted amount
1	Standard Approach to Counterparty Credit Risk Measurement (for derivatives)	291.836	282.089	-	1,4	803.495	326.237
2	Internal Model Method (for derivatives and securities financing transactions)	-	-	-	-	-	-
3	The simple method used for KRA is the financial collateral method (for securities financing transactions)	-	-	-	-	-	-
4	Comprehensive financial collateral method used for KRA (for securities financing transactions)	-	-	-	-	753.825	622.951
5	Value at risk for securities financing transactions	-	-	-	-	-	-
6	**Total**	-	-	-	-	-	**949.188**

Credit valuation adjustment (CVA) for capital charge

	Current Period	Exposure at default post-credit risk mitigation techniques	Risk weighted amount
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) VaR component (including the 3×multiplier)	-	-
2	(ii) Stressed VaR component (including the 3×multiplier)	-	-
3	All portfolios subject to the Standardized CVA capital charge	695.118	179.383
4	**Total subject to the CVA capital charge**	**695.118**	**179.383**

	Prior Period	Exposure at default post-credit risk mitigation techniques	Risk weighted amount
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) VaR component (including the 3×multiplier)	-	-
2	(ii) Stressed VaR component (including the 3×multiplier)	-	-
3	All portfolios subject to the Standardized CVA capital charge	803.495	217.668
4	**Total subject to the CVA capital charge**	**803.495**	**217.668**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

Disclosures on counterparty credit risk (CCR) (continued)

Counterparty credit risk exposures (CCR) by regulatory portfolio and risk weights

Current Period Risk weight Risk groups	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure[1]
Exposures to sovereigns and their central banks	-	-	-	-	-	-	-	-	-
Exposures to regional and local governments	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	12.828	-	-	12.828
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and securities firms	-	-	232.329	536.729	-	-	-	-	769.058
Exposures to corporates	-	-	191	19.167	-	837.232	4	-	856.594
Retail exposures	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	78	-	-	78
Total	**-**	**-**	**232.520**	**555.896**	**-**	**850.138**	**4**	**-**	**1.638.558**

[1] Total credit risk: The amount related to the calculation of capital adequacy after applying counterparty credit risk measurement techniques.

Prior Period Risk weight Risk groups	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure[1]
Exposures to sovereigns and their central banks	149.132	-	-	-	-	-	-	-	149.132
Exposures to regional and local governments	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	44.675	-	-	44.675
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and securities firms	-	-	275.960	457.220	-	-	-	-	733.180
Exposures to corporates	-	-	3.525	13.604	-	613.204	-	-	630.333
Retail exposures	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-	-
Total	**149.132**	**-**	**279.485**	**470.824**	**-**	**657.879**	**-**	**-**	**1.557.320**

[1] Total Credit Exposures Amount: The amount which is related to capital adequacy calculation after implementation of counter party credit risk mitigation techniques.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

Disclosures on counterparty credit risk (CCR) (continued)

Collaterals used for CCR

Current Period	Derivative Financial Instrument Collaterals				Other Instrument Collaterals	
	Collaterals received		Collaterals given			
	Segregated	Unsegregated	Segregated	Segregated	Collaterals received	Collaterals given
Cash - domestic currency	-	-	-	-	1.961.247	-
Cash - foreign currency	1.714.829	-	29.697	-	1.511.243	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**1.714.829**	**-**	**29.697**	**-**	**3.472.490**	**-**

Prior Period	Derivative Financial Instrument Collaterals				Other Instrument Collaterals	
	Collaterals received		Collaterals given			
	Segregated	Unsegregated	Segregated	Unsegregated	Collaterals received	Collaterals given
Cash - domestic currency	-	-	-	-	256.137	-
Cash - foreign currency	944.580	-	99.783	-	1.404.555	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**944.580**	**-**	**99.783**	**-**	**1.660.692**	**-**

Credit derivatives

None (December 31, 2023: None)

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

Exposures to central counterparties

	Current Period		Prior Period	
	Exposure at Default Post - CRM	RWA	Exposure at Default Post - CRM	RWA
Exposure to Qualified Central Counterparties (QCCPs) Total	1.206.182	19.242	219.393	2.768
Exposures for trades at QCCPs (excluding initial margin and default fund contributions) of which	886.379	17.728	91.924	1.838
(i) OTC Derivatives	127.608	2.552	91.924	1.838
(ii) Exchange-traded Derivatives	82.841	1.657	-	-
(iii) Securities financing transactions	675.930	13.519	-	-
(iv) Netting sets where cross-product netting has been approved ı				
Segregated initial margin	270.301	-	81.017	-
Non-segregated initial margin	-	-	-	-
Pre-funded default fund contributions	49.501	1.514	46.452	930
Unfunded default fund contributions	-	-	-	-
Exposures to non- Central Counterparties (QCCPs) Total	-	-	-	-
Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-
(i) OTC Derivatives	-	-	-	-
(ii) Exchange-traded Derivatives	-	-	-	-
(iii) Securities financing transactions	-	-	-	-
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	-	-	-	-
Non-segregated initial margin	-	-	-	-
Pre-funded default fund contributions	-	-	-	-
Unfunded default fund contributions	-	-	-	-

Securitization exposures:

None (December 31, 2023: None).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

Explanations on market risk

Qualitative information to be disclosed to public concerning market risk

Market risk is the possibility of a risk being incurred by the portfolio or position accepted within the scope of trading portfolio as a result of interest rates, equity prices, commodity prices in financial markets and exchange rate fluctuations. The purpose of market risk management is to manage, within the appropriate parameters, the risks which the Bank might be exposed to with a proactive approach and thus maximize the Bank's risk adjusted return.

Interest rate, exchange rate, stock and commodity price risks are the major elements of market risk. In order to control these risks in a healthy manner the core principle is to manage transactions carried out in money and capital markets such that they do not form concentration in terms of instrument, maturity, currency, interest type and other similar parameters, and in a "well diversified" manner in accordance with their risk levels. Moreover, the creditworthiness of issuers of financial instruments causing market risk is monitored carefully.

Market Risk is managed by using consistent risk measurements and criteria fluctuation level of interest rates and/or prices and Value at Risk calculations, establishing appropriate procedures for control and monitoring compliance with identified risk limits and risk appetite.

Market risk is measured, monitored and reported by the Department of Risk Management. The Bank uses in the calculation of market risk, BRSA Standard Method and advanced method which is Value at Risk (VaR) and Expected Shortfall approaches.

The standard method is applied in the calculation of capital adequacy monthly. VaR calculations are performed on a daily basis and are reported to the senior management. Monte Carlo simulation method is used for VaR calculations.

The VaR model is based on the assumptions of a 99% confidence interval and a 1-day holding period, and the accuracy of the model is assured by back-testing which is based on the comparison of calculated VaR Value against incurred losses. Besides, stress tests are conducted to identify the impacts on VaR which will be highly damaging, although their occurrence is a low possibility.

In addition to the activities of the Risk Management Department, the Treasury Control Unit also reports daily positions and limit use status to the senior management.

Market Risk-standard approach

		Risk Weighted Amount (RWA)	
		Current Period	**Prior Period**
	Outright products	-	-
1	Interest rate risk (general and specific)	424.913	527.463
2	Equity risk (general and specific)	29.212	19.674
3	Foreign exchange risk	1.056.300	1.194.488
4	Commodity risk	-	-
	Options	-	-
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitization	-	-
9	**Total**	**1.510.425**	**1.741.625**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

Explanations on operational risk

Information to be disclosed to the public regarding operational risk

Operational Risk Exposure is measured in the Bank once a year by using the Basic Indicator Method based on the "Regulation on the Measurement and Assessment of the Capital Adequacy of Banks".

	31/12/2021	31/12/2022	31/12/2023	Total/Positive BG year number	Ratio (%)	Total
Gross Income	3.454.648	7.712.023	12.412.153	7.859.608	15	1.178.941
Value at Operational Risk (Total*12,5)						**14.736.765**

	31/12/2020	31/12/2021	31/12/2022	Total/Positive BG year number	Ratio (%)	Total
Gross Income	2.090.820	3.454.648	7.712.023	4.419.164	15	662.875
Value at Operational Risk (Total*12,5)						**8.285.932**

Disclosures on interest rate risk resulting from banking book

It is monthly calculated and reported within the scope of the Standard Shock Measurement and Evaluation Method of the Interest Rate Risk in Banking Accounts Duration.

The economic valuation differences of the Bank arising from fluctuations on interest rates, in different currencies that is calculated in accordance with the communiqué are presented in the table below.

	Current Period Currency	Applied Shock (+/- x basis point)	Revenue/Loss	Revenue/Shareholders' Equity - Loss/ Shareholders' Equity
1	TL	(+) 500bp	(566.668)	(1,29)%
2	TL	(-) 400bp	520.706	1,19%
3	EURO	(+) 200bp	(353.819)	(0,81)%
4	EURO	(-) 200bp	376.076	0,86%
5	USD	(+) 200bp	(723.867)	(1,65)%
6	USD	(-) 200bp	814.656	1,86%
	Total (for Negative Shocks)		**1.711.437**	**3,90%**
	Total (for Positive Shocks)		**(1.644.354)**	**(3,75)%**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to risk management (continued)

The economic valuation differences of the Bank arising from fluctuations on interest rates, in different currencies that is calculated in accordance with the communiqué are presented in the table below. (continued)

	Prior Period Currency	Applied Shock (+/- x basis point)	Revenue/Loss	Revenue/Shareholders' Equity - Loss/ Shareholders' Equity
1	TL	(+) 500bp	(196.047)	(0,70)%
2	TL	(-) 400bp	182.517	0,66%
3	EURO	(+) 200bp	(97.266)	(0,35)%
4	EURO	(-) 200bp	112.645	0,40%
5	USD	(+) 200bp	(938.320)	(3,37)%
6	USD	(-) 200bp	1.085.995	3,90%
	Total (for Negative Shocks)		**1.381.158**	**4,97%**
	Total (for Positive Shocks)		**(1.231.634)**	**(4,43)%**

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosures related to the assets

1.a Information on cash and balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TP	**YP**	**TP**	**YP**
Cash in TL/Foreign Currency	-	-	-	-
Balances with the Central Bank of Turkey	772	2.879.653	8.682	2.934.142
Other	-	-	-	-
Total	**772**	**2.879.653**	**8.682**	**2.934.142**

1.b Information related to the account of the Central Bank of Turkey:

	Current Period (1)		Prior Period	
	TP	**YP**	**TP**	**YP**
Unrestricted demand deposits	772	7.345	8.682	36.542
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
Other (2)	-	2.872.308	-	2.897.600
Total	**772**	**2.879.653**	**8.682**	**2.934.142**

(1) Expected credit loss amounting to TL 3.102 is allocated in "Balances with the Central Bank of Turkey" (December 31, 2023: TL 520).

(2) Includes the amount of required reserves blocked at the CBRT for Turkish lira assets and foreign currency liabilities.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosures related to the assets (continued)

1.b Information related to the account of the Central Bank of Turkey: (continued)

As per the Communiqué numbered 2005/1 "Reserve Deposits" of the CBRT, banks keep reserve deposits at the CBRT for their TL and FC liabilities mentioned in the communiqué. Reserves are calculated and set aside every two weeks on Fridays for 14 days periods. The CBRT Required reserves of 2 May 2015 has started to pay interest to the Required reserves, reserve options and unrestricted account held in US dollars according to regulation released on 5 May 2015.

As per the "Communiqué on Amendments to be Made on Communiqué on Required Reserves" of Central Bank of Turkey, numbered 2011/11 and 2011/13, required reserves for Turkish Lira and Foreign currency liabilities are set at Central Bank of Turkey based on rates mentioned below. Reserve rates prevailing at December 31, 2024 are presented in table below:

Reserve Rates for Turkish Lira Liabilities (%)	
Original Maturity	**Reserve Ratio**
Borrower funds	0
Until 1 year maturity (1 year included)	8
Until 3-year maturity (3 year included)	5,5
More than 3-year maturity	3
Securities issued by development and investment banks with a maturity of more than 1 year	0

Reserve Rates for Foreign Currency Liabilities (%)	
Original Maturity	**Reserve Ratio**
Borrower funds	25
Until 1 year maturity (1 year included)	21
Until 2-year maturity (2 year included)	16
Until 3-year maturity (3 year included)	11
Until 5-year maturity (5 year included)	7
More than 5-year maturity	5

2. Information on financial assets at fair value through profit and loss:

2.a. Information on financial assets designated at fair value through profit and loss given as collateral or blockage:

As of the reporting date, the Bank has no financial assets designated at fair value through profit and loss given as collateral or blockage (December 31, 2023: None).

2.b Financial assets designated at fair value through profit and loss subject to repurchase agreements:

As of the reporting date, the Bank has no financial assets designated at fair value through profit and loss subject to repurchase agreements (December 31, 2023: None).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosures related to the assets (continued)

2.c Positive differences table related to derivative financial assets:

	Current Period		Prior Period	
Financial Derivative Assets (1)	**TP**	**YP**	**TP**	**YP**
Forward Transactions	3.294	511	5.461	857
Swap Transactions	692.662	1.241.541	469.361	1.148.379
Futures Transaction	-	-	-	-
Options	-	24	-	-
Other	-	-	-	-
Total	**695.956**	**1.242.076**	**474.822**	**1.149.236**

(1) Derivative Financial Assets for Hedging Purposes amounting to TL 1.119.407 are shown in the "Derivative Financial Assets" account (December 31, 2023: TL 310.639)

As part of its economic hedging strategy, the Bank has implemented TL cross currency interest rate swap transactions in which the Bank's default risk is the reference. These swap agreements are subject to a direct closing condition for both the Bank and the counterparty, in the event of a credit default event (such as a non-payment) related to the Bank, to cancel the amounts accrued in the contract and all future payments. As of December 31, 2024, the market rediscount value of this swap transaction with a nominal amount of 25 million dollars is TL 551.146 and the maturity is 2027 (December 31, 2023: $ 25 million is TL 401.197).

2.d Loans measured at Fair Value through Profit/Loss:

As of December 31, 2024, there are no loans with fair value difference reflected in profit and loss. (December 31, 2023: none)

3. Information on banks and foreign banks account

3.a Information on banks:

	Current Period (1)		Prior Period	
	TL	**FC**	**TL**	**FC**
Banks				
Domestic	3.006	6.322.595	819	4.071.119
Foreign	-	1.350.261	-	693.883
Branches and head office abroad	-	-	-	-
Total	**3.006**	**7.672.856**	**819**	**4.765.002**

(1) Expected credit loss amounting to TL 260 is allocated in "Banks" (December 31, 2023: TL 132).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

3.b Information on foreign banks

	Unrestricted Amount		Restricted Amount	
	Current Period	**Prior Period**	**Current Period**	**Prior Period**
European Union Countries	4.471	109.204	-	-
USA and Canada	15.210	67.826	-	-
OECD Countries	1.330.580	516.853	-	-
Off-shore banking regions	-	-	-	-
Other	-	-	-	-
Total	**1.350.261**	**693.883**	**-**	**-**

(1) OECD countries other than European Union countries, USA and Canada.

4. Information on financial assets at fair value through other comprehensive income

4.a.1 Information on financial assets at fair value through other comprehensive income subject to repurchase agreements

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Government bonds	-	1.985.056	-	919.660
Treasury bills	-	-	-	-
Other government debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	**-**	**1.985.056**	**-**	**919.660**

4.a.2 Information on financial assets at fair value through other comprehensive income given as collateral or blockage:

As of December 31, 2024, all financial assets at fair value through other comprehensive income given as collateral comprise of financial assets issued by the T.R. Undersecretariat of Treasury. The carrying value of those assets is TL 5.366.843 (December 31, 2023: TL 4.042.808).

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Share certificates	-	-	-	-
Bond, treasury bill and similar investment securities	4.271.767	1.095.076	3.149.373	893.435
Other	-	-	-	-
Total	**4.271.767**	**1.095.076**	**3.149.373**	**893.435**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

4. Information on financial assets at fair value through other comprehensive income (continued)

4.b Major types of financial assets at fair value through other comprehensive income:

Financial assets at fair value through other comprehensive income comprised of government bonds 63,27%, Eurobonds 27,27%, 9,46% and shares and other securities (December 31, 2023: 37,39% government bonds, 52,60% Eurobond, 10,01% shares and other securities).

4.c Information on financial assets at fair value through other comprehensive income:

	Current Period	Prior Period
Debt securities	17.359.192	9.022.028
Quoted on a stock Exchange	12.348.778	3.844.386
Unquoted	5.010.414	5.177.642
Share certificates	1.094.761	872.247
Quoted on a stock Exchange	80.417	90.885
Unquoted	1.014.344	781.362
Impairment provision (-)	101.064	81.733
Total	**18.352.889**	**9.812.542**

The net book value of unquoted financial assets at fair value through other comprehensive income share certificates is TL 1.009.450 (December 31, 2023: TL 776.468).

5. Explanation on loans

5.a Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	307.580	-	597.442	-
Corporate shareholders	307.580	-	597.442	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	7.975	-	10.072	-
Total	**315.555**	**-**	**607.514**	**-**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

5. Explanation on loans (continued)

5.b Information on Standard and Close Monitoring loans and restructured Close Monitoring loans:

		Loans Under Close Monitoring		
			Amendments on Conditions of Contract	
Current Period [1]	**Standard Loans**	**Loans Not Subject to Restructuring**	**Loans with Revised Contract Terms**	**Refinance**
Non-specialized loans	151.322.073	-	11.004.983	-
Working Capital loans	25.148.155	-	4.186.792	-
Export loans	1.676.480	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	14.736.143	-	-	-
Consumer loans	7.975	-	-	-
Credit cards	-	-	-	-
Other	109.753.320	-	6.818.191	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	**151.322.073**	-	**11.004.983**	-

[1] Purchase Loans and totaling TL 1.850.902 which are shown under "Business Loans" in the bank account plan, are shown under the" Other" category in the footnote above due to their "Investment" nature.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

5. Explanation on loans (continued)

5.b Information on Standard and Close Monitoring loans and restructured Close Monitoring loans: (continued)

		Loans Under Close Monitoring		
			Amendments on Conditions of Contract	
Prior Period [1]	**Standard Loans**	**Loans Not Subject to Restructuring**	**Loans with Revised Contract Terms**	**Refinance**
Non-specialized loans	112.977.913	6.023.402	6.744.619	-
Working Capital loans	15.824.843	218.923	4.185.837	-
Export loans	2.744.636	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	13.351.262	-	-	-
Consumer loans	10.072	-	-	-
Credit cards	-	-	-	-
Other	81.047.100	5.804.479	2.558.782	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	**112.977.913**	**6.023.402**	**6.744.619**	-

[1] Purchase Loans and Fleet Rental Loans totaling TL 1.763.838 which are shown under "Business Loans" in the bank account plan, are shown under the" Other" category in the footnote above due to their "Investment" nature.

	Current Period		Prior Period	
	Standard Loans	**Loans under Close Monitoring**	**Standard Loans**	**Loans under Close Monitoring**
12 Months Expected Credit Loss	929.233	-	1.172.880	-
Significant Increase in Credit Risk	-	3.882.690	-	3.968.988

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

5. Explanation on loans (continued)

5.c Loans according to their maturity structure:

		Loans Under Close Monitoring	
Current Period	**Standard Loans**	**No restructured**	**Restructured**
Short-term loans	3.912.993	-	1.488.930
Non-specialized loans	3.912.993	-	1.488.930
Specialized loans	-	-	-
Other receivables	-	-	-
Medium and Long-term loans	147.409.080	-	9.516.053
Non-specialized loans	147.409.080	-	9.516.053
Specialized loans	-	-	-
Other receivables	-	-	-

		Loans Under Close Monitoring	
Prior Period	**Standard Loans**	**No restructured**	**Restructured**
Short-term loans	6.782.133	218.923	2.041
Non-specialized loans	6.782.133	218.923	2.041
Specialized loans	-	-	-
Other receivables	-	-	-
Medium and Long-term loans	106.195.780	5.804.479	6.742.578
Non-specialized loans	106.195.780	5.804.479	6.742.578
Specialized loans	-	-	-
Other receivables	-	-	-

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

5. Explanation on loans (continued)

5.d Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

Current Period	Short Term	Medium and Long Term	Total
Consumer Loans-TL	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans -Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Individual Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Loans-TL	3.373	4.602	7.975
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	3.373	4.602	7.975
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Personnel Credit Cards-FC	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Overdraft Accounts-TL (Real Persons)	-	-	-
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	**3.373**	**4.602**	**7.975**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

5. Explanation on loans (continued)

5.d Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel (continued):

Prior Period	Short Term	Medium and Long Term	Total
Consumer Loans-TL	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans -Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Individual Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Loans-TL	441	9.631	10.072
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	441	9.631	10.072
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TL (Real Persons)	-	-	-
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	441	9.631	10.072

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

5. Explanation on loans (continued)

5.e Information on commercial loans with instalments and corporate credit cards:

The Bank has not granted any commercial loans with instalments and corporate credit cards as of the reporting date (December 31, 2023: None).

5.f Loans according to borrowers:

	Current Period	Prior Period
Public	3.102.769	1.328.082
Private	159.224.287	124.417.852
Total	**162.327.056**	**125.745.934**

5.g Domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	161.878.851	125.745.934
Foreign loans	448.205	-
Total	**162.327.056**	**125.745.934**

5.h Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	2.197.707	2.325.017
Indirect loans granted to subsidiaries and associates	-	-
Total	**2.197.707**	**2.325.017**

5.i Specific provisions provided against loans or default (Stage 3) provisions:

	Current Period	Prior Period
Loans and receivables with limited collectability	1.459.431	1.446.480
Loans and receivables with doubtful collectability	5.170	1.391.307
Uncollectible loans and receivables	1.750.710	234.938
Total	**3.215.311**	**3.072.725**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

5. Explanation on loans (continued)

5.j Information on non-performing loans (net):

5.j.1 Information on loans and other receivables restructured from non-performing loans or linked to a new amortization schedule:

	III. Group	IV. Group	V. Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current Period			
Gross amounts before provisions	467.612	10.339	1.669.713
Rescheduled loans	467.612	10.339	1.669.713
Prior Period			
Gross amounts before provisions	749.784	1.450.294	152.289
Rescheduled loans	749.784	1.450.294	152.289

5.j.2 Information on total non-performing loans (net):

	III. Group	IV. Group	V. Group
Current Period	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Prior period end balance	**2.237.702**	**1.450.294**	**251.166**
Additions (+)	265.657	-	1.654
Transfers from other categories of non-performing loans (+)	-	314.210	1.578.447
Transfers to other categories of non-performing loans (-)	506.270	1.386.387	-
Collections (-)	92.635	367.778	73.225
Write-offs (-) [1]	-	-	-
Sold (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Exchange rate differences of non-performing loans	83	-	97
Current period end balance	**1.904.537**	**10.339**	**1.758.139**
Provision (-)	1.459.431	5.170	1.750.710
Net Balances on Balance Sheet	**445.106**	**5.169**	**7.429**

[1] The amount related to real estate acquired by the Bank due to its non-performing receivables is shown in the collections line.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

5. Explanation on loans (continued)

5.j Information on non-performing loans (net) (continued)

5.j.2 Information on total non-performing loans (net): (continued)

	III. Group	IV. Group	V. Group
Prior Period	**Loans With Limited Collectability**	**Loans With Doubtful Collectability**	**Uncollectible Loans**
Prior period end balance	**283.191**	**1.661.963**	**381.787**
Additions (+)	1.983.177	-	73
Transfers from other categories of non-performing loans (+)	-	-	15.038
Transfers to other categories of non-performing loans (-)	-	15.038	-
Collections (-)	29.005	196.631	61.121
Write-offs (-)	-	-	84.611
Sold (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Exchange rate differences of non-performing loans	339	-	-
Current period end balance	**2.237.702**	**1.450.294**	**251.166**
Provision (-)	1.446.480	1.391.307	234.938
Net Balances on Balance Sheet	**791.222**	**58.987**	**16.228**

(1) As of December 31, 2023, the Bank's impact on the Bank's non-performing loan ratio is calculated as 6 basis points when the calculation is made by taking into account the loans deducted

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

5 Explanation on loans (continued)

5.j.2 Information on non-performing loans (net)(continued)

	III. Group	IV. Group	V. Group
Current Period	**Loans With Limited Collectability**	**Loans With Doubtful Collectability**	**Uncollectible Loans**
Period End Balance	-	-	1.105
Provision (-)	-	-	1.105
Net Balance on Balance Sheet	**-**	**-**	**-**
Prior Period			
Period End Balance	925	-	-
Provision (-)	925	-	-
Net Balance on Balance Sheet	**-**	**-**	**-**

5.j.3 Information on foreign currency non-performing loans and other receivables:

5.j.4 Information regarding gross and net amounts of non-performing loans with respect to user groups:

	III. Group	IV. Group	V. Group
	Loans and Other Receivables With Limited Collectability	**Loans and Other Receivables With Doubtful Collectability**	**Uncollectible Loans and Other Receivables**
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	1.904.537	10.339	1.758.139
Provision Amount (-)	1.459.431	5.170	1.750.710
Loans to Real Persons and Legal Entities (Net)	445.106	5.169	7.429
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans (Net)	-	-	-

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

5. Explanation on loans (continued)

5.j Information on non-performing loans (net) (continued)

5.j.4 Information regarding gross and net amounts of non-performing loans with respect to user groups: (continued)

	III. Group	IV. Group	V. Group
	Loans and Other Receivables With Limited Collectability	Loans and Other Receivables With Doubtful Collectability	Uncollectible Loans and Other Receivables
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	2.237.702	1.450.294	251.166
Provision Amount (-)	1.446.480	1.391.307	234.938
Loans to Real Persons and Legal Entities (Net)	791.222	58.987	16.228
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans (Net)	-	-	-

5.j.5 Information on interest accruals, rediscount, and valuation differences calculated for non-performing loans and their provisions:

	III.Group	IV.Group	V.Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	**-**	**-**	**-**
Interest Accruals and Rediscount with Valuation Differences	83	-	97
Provision amount (-)	83	-	97
Prior Period (Net)	**-**	**-**	**-**
Interest Accruals and Rediscount with Valuation Differences	339	-	-
Provision amount (-)	339	-	-

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

5. Explanation on loans (continued)

5.k Main principles of liquidating non-performing loans and receivables:

In case of existence of the collateral elements stated in Article 13 of the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables to be set aside for these, these elements are liquidated as soon as possible as a result of both administrative and legal initiatives and liquidation of the receivables is ensured.

In the absence of collateral, the debtor is provided with an insolvency certificate, but in various periods, intense intelligence is made and the legal asset is applied to determine the acquired assets.

Legal procedures followed before and after; on the financial information of the company when the creditor deemed able to live in the investigation that will be made by the Bank and if it contributed to the economy in relation to firms that dominate considers that contributed to the production, efforts are made to the liquidation of receivables agreement.

5.l Explanations about the write-off policies from the assets:

Within the scope of the "Regulation Amending the Regulation on the Procedures and Principles Regarding the Classification of Loans and the Provisions for These" published in the Official Gazette dated November 27, 2019, and numbered 30961, loans classified as "Fifth Group-Uncollectible Loans", for which there is no reasonable expectation of recovery, can be excluded from the balance sheet. The deduction of the loans that cannot be collected from the records is an accounting application and does not result in the waiver of the right to receivable.

The Bank allocates expected loan loss provisions within the scope of TFRS 9 for the parts of the loans that are not expected to be collected, and the details are given in VIII. Explanations on impairment of financial assets and Calculation of expected credit losses are given under the headings. Amounts written off during the period are disclosed in the footnotes of the financial statements.

As of December 31, 2024, the amount of the Bank's written off loan is none (December 31, 2023: TL 84.611).

6. Information on financial assets measured at amortized cost

6.a The information was subjected to repurchase agreement and given as collateral/blocked amount of investments:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Collateralized/Blocked Investments	2.621.515	4.120.258	2.923.306	3.588.592
Subject to Repurchase Agreements	2.666.448	131.383	221.806	2.396.438
Total	**5.287.963**	**4.251.641**	**3.145.112**	**5.985.030**

6.b Information on government debt measured at amortized cost:

	Current Period	Prior Period
Government Bonds	24.219.715	18.894.112
Treasury Bills	-	-
Other Government Debt Securities	-	-
Total	**24.219.715**	**18.894.112**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

6. Information on financial assets measured at amortized cost (continued)

6.c Information on financial investments measured at amortized cost:

	Current Period	Prior Period
Debt Securities		
Quoted on a Stock Exchange	9.949.963	8.392.539
Not Quoted	14.269.752	10.501.573
Impairment provision (-)	-	-
Total	**24.219.715**	**18.894.112**

6.d Movement of financial assets at amortized costs within the year:

	Current Period	Prior Period
Balance at Beginning of the Period	**18.894.112**	**12.825.981**
Foreign Currency Differences on Monetary Assets	2.121.701	3.861.667
Purchases During the Period	3.194.001	475.734
Disposals Through Sales and Redemptions	704.972	334.204
Impairment Loss	-	-
Interest Income Accruals	714.873	2.064.934
Balance at End of Period	**24.219.715**	**18.894.112**

Expected credit loss amounting to TL 20.200 is allocated in "Financial asset measured at amortized cost" (December 31, 2023: TL 13.462).

7. Information on associates (net)

7.a Information on associates

	Title	Address (City/Country)	Bank's share percentage- If different voting percentage (%)	Bank's risk group share percentage (%)
1	İş Faktoring A.Ş (İş Faktoring)	İstanbul/Türkiye	21,75	100,00
2	İş Finansal Kiralama A.Ş. (İş Finansal)	İstanbul/Türkiye	29,46	59,89
3	İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. (İş Girişim)	İstanbul/Türkiye	16,67	56,79
4	Terme Metal Sanayi ve Ticaret A.Ş. (Terme)	İstanbul/Türkiye	17,83	18,76
5	Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş. (Ege Tarım)	İzmir/Türkiye	10,05	20,10

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

7. Information on associates (net) (continued)

7.a Information on associates (continued)

		Total Assets	Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	İş Faktoring	37.798.320	4.555.968	36.925	7.265.695	-	1.000.450	1.159.924	-
2	İş Finansal (2)	69.747.305	9.842.182	95.522	11.702.678	-	1.925.193	1.767.060	9.290.634
3	İş Girişim (2)	5.085.933	4.179.909	17.482	85.657	-	1.945.145	1.227.673	2.933.320
4	Terme (1)	26.512	23.534	26.512	-	-	(11)	(9)	-
5	Ege Tarım	218.374	51.416	200.548	4.267	10.157	15.999	14.218	-

(1) The information is obtained from financial statements as of September 30, 2024.The information of prior year profit/loss is obtained from 30 September 2023 financial statements.
(2) Fair value is calculated based on the stock market value as of 31 December 2024.

7.b Movements of associates subject to consolidation

	Current Period	Prior Period
Balance at the Beginning of the Period	**2.825.834**	**1.493.750**
Movements During the Period	1.375.658	1.332.084
Purchases	-	-
Bonus Shares Obtained	-	-
Current Year Share of Profit	-	-
Sales	-	-
Revaluation Increase/decrease (1)	1.375.658	1.332.084
Provision for Impairment (-)	-	-
Balance at the End of the Period	**4.201.492**	**2.825.834**
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(1) Includes accounting differences with the equity method.

Information on associates sold in the current period

In the current period the Bank has not disposed any associates.

Information on associates purchased in the current period

In current period the Bank has not purchased any associates

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

7. Information on associates (net) (continued)

7.c Sectoral information of associates subject to the related carrying amounts in the legal books:

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	1.014.392	672.276
Leasing Companies	2.632.351	1.796.189
Financial Service Companies	-	-
Other Financial Associates	549.582	353.819

7.d Information on associates subject quoted on stock market:

	Current Period	Prior Period
Associates quoted on domestic stock exchanges	3.181.933	2.150.008
Associates quoted on foreign stock exchanges	-	-

8. Information on subsidiaries (net)

8.a Information related to equity component of subsidiaries:

Current Period (1)	YF	TSKB GYO
CORE CAPITAL		
Paid-in Capital	63.500	650.000
Share Premium	-	1.136
Legal Reserves	19.684	8.448
Other Comprehensive Income according to TAS	28.286	-
Current and Prior Years' Profit/Loss	836.364	4.055.563
Leasehold Improvements (-)	4.120	-
Intangible Assets (-)	1.160	73
Total Core Capital	**942.554**	**4.715.074**
Supplementary Capital	**-**	**-**
Capital	**-**	**-**
NET AVAILABLE CAPITAL	**942.554**	**4.715.074**

(1) The information is obtained from financial statements subject to consolidation as of December 31, 2024

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

8. Information on subsidiaries (net) (continued)

8.a Information related to equity component of subsidiaries (continued):

Prior Period [1]	YF	TSKB GYO
CORE CAPITAL		
Paid-in Capital	63.500	650.000
Share Premium	-	1.136
Legal Reserves	13.001	8.862
Other Comprehensive Income/Loss according to TAS	31.289	-
Current and Prior Years' Profit	529.957	2.684.982
Leasehold Improvements (-)	3.459	-
Intangible Assets (-)	1.738	80
Total Core Capital	**632.550**	**3.344.900**
Supplementary Capital	**-**	**-**
Capital	**-**	**-**
NET AVAILABLE CAPITAL	**632.550**	**3.344.900**

[1] The information is obtained from financial statements subject to consolidation as of December 31, 2023.

Paid-in capital has been indicated as Turkish Lira in articles of incorporation and registered in trade registry. The effect of inflation adjustments on paid-in capital is the difference caused by the inflation adjustment on shareholders' equity items. Extraordinary reserves are the status reserves which have been transferred with the General Assembly decision after distributable profit have been transferred to legal reserves. Legal reserves are the status reserves which have been transferred from distributable profit in accordance with the Article 519 of the Turkish Commercial Code numbered 6102.

8.b As per Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards unconsolidated subsidiaries and reason of consolidating and needed capital if they are subject to capital requirement:

TSKB Gayrimenkul Değerleme A.Ş. and TSKB Sürdürülebilirlik Danışmanlığı A.Ş.are valued at cost and are not consolidated since they are not financial subsidiaries. Unconsolidated subsidiaries of the Bank are not subject to minimum capital requirement.

8.c Information on subsidiaries:

	Title	Address (City/Country)	Bank's share percentage- If different voting percentage (%)	Bank's risk group share percentage (%)
1	TSKB Gayrimenkul Değerleme A.Ş. (TSKB GMD)	İstanbul/Türkiye	100,00	100,00
2	Yatırım Finansman Menkul Değerler A.Ş. (YF)	İstanbul/Türkiye	95,78	98,51
3	TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. (TSKB GYO)	İstanbul/Türkiye	88,61	88,61
4	TSKB Sürdürülebilirlik Danışmanlığı A.Ş. (TSKB SD)	İstanbul/Türkiye	100,00	100,00

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

8. Information on subsidiaries (net) (continued)

8.c Information on subsidiaries (continued):

		Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	TSKB GMD	164.333	115.252	25.721	29.439	-	43.893	27.564	-
2	YF [1]	6.865.447	948.896	139.484	1.609.581	8.535	334.151	282.714	-
3	TSKB GYO [1] [2]	5.276.934	4.715.146	5.009.004	40.697	-	1.370.581	1.535.587	4.533.750
4	TSKB SD	24.244	18.134	2.016	3.536	-	4.315	3.366	-

[1] The financial data related to the consolidated subsidiaries are prepared in accordance with the regulations of the BRSA.

[2] Fair value has been calculated on the basis of the stock market value as of December 31, 2024.

8.d Movement schedule for subsidiaries:

	Current Period	Prior Period
Balance at the beginning of the period	**3.676.484**	**1.989.634**
Movements in the period	1.542.790	1.686.850
Purchases	-	-
Bonus shares obtained	-	-
Current year share of profit	-	-
Sales	(801)	-
Revaluation increase/decrease [1]	1.543.591	1.686.850
Provision for impairment	-	-
Balance at the end of the period	**5.219.274**	**3.676.484**
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

[1] Includes accounting differences with the equity method.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

8. Information on subsidiaries (net) (continued)

8.d Movement schedule for subsidiaries (continued)

Subsidiaries disposed in the current period

In the current period, the Bank has not disposed any subsidiaries.

Subsidiaries purchased in the current period

In the current period, the Bank has not purchased any subsidiaries

8.e Sectoral information on subsidiaries to Financial and the related carrying amounts in the legal books:

Subsidiaries	**Current Period**	**Prior Period**
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financial Service Companies	-	-
Other Financial Subsidiaries	5.085.830	3.575.468

8.f Subsidiaries subject to quoted on stock market:

	Current Period	**Prior Period**
Subsidiaries quoted on domestic stock exchanges	4.177.984	2.968.335
Subsidiaries quoted on foreign stock exchanges	-	-

9. Information on entities under common control

The Bank has no entities under common control as of the reporting date (December 31, 2023: None).

10. Information on lease receivables (net)

10.a Maturities of investments on leases:

	Current Period		**Prior Period**	
	Gross	**Net**	**Gross**	**Net**
Less than 1 year	49.502	42.888	73.222	62.626
Between 1- 4 years	113.032	91.573	136.146	95.832
More than 4 years	353.471	283.092	448.289	293.912
Total	**516.005**	**417.553**	**657.657**	**452.370**

Expected credit loss amounting to TL 117.847 (December 31, 2023: TL 72.631) is allocated in "Lease Receivables".

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

10. Information on lease receivables (net) (continued)

10.b The information on net investments in finance leases:

	Current Period	Prior Period
Gross investments in leases	**516.005**	**657.657**
Unearned revenue from leases (-)	98.452	205.287
Cancelled leases (-)	-	-
Net investments in leases	**417.553**	**452.370**

10.c Explanation with respect to finance lease agreements, the criteria used in determination of contingent rents, conditions for revisions or purchase options, updates of leasing amounts and the restrictions imposed by lease arrangements, whether arrays in repayment occur, whether the terms of the contract are renewed, if renewed, the renewal conditions, whether the renewal results any restrictions, and other important conditions of the leasing agreement:

Finance lease agreements are made in accordance with the related articles of Financial Leasing, Factoring and Financing Company Law No 6361. There are no restructuring or restrictions; which have material effect on financial statements.

11. Explanation on derivative financial assets held for hedging purposes

11.a Positive differences on derivative financial instruments held for hedging purposes:

There is a positive difference amounting to TL 1.119.407 related to derivative financial assets for hedging purposes (December 31, 2023 TL 310.639 positive differences).

As of December 31, 2024, the net fair value of derivative financial instruments designated as hedging instruments carried in the contract amount and the balance sheet are summarized in the following table:

	Current Period			Prior Period		
	Face Value	**Asset**	**Liability**	**Face Value**	**Asset**	**Liability**
Interest Rate Swaps	38.602.372	18.436	417.848	12.304.847	94.859	130.762
FC	38.602.372	18.436	417.848	12.304.847	94.859	130.762
TL	-	-	-	-	-	-
Money Swaps	30.696.329	1.100.971	-	26.483.208	215.780	39.214
FC	30.696.329	1.100.971	-	26.483.208	215.780	39.214
TL	-	-	-	-	-	-

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

11. Explanation on derivative financial assets held for hedging purposes (continued)

11.a Positive differences on derivative financial instruments held for hedging purposes: (continued)

11.a.1 Information on fair value hedge accounting

Current Period						
Hedging Item	**Hedged Item**	**Type of Risk**	**Fair Value Change of Hedged Item [1]**	**Fair Value of Hedging Instrument [1]**		**Income Statement Effect (Profit/Loss Through Derivative Financial Instrument)**
				Assets	**Liabilities**	
Interest Rate Swap Transactions	Fixed Rate Issued Eurobond and Green bond	Interest Rate Risk	(27.268)	21.597	-	(5.671)
Interest Rate Swap Transactions	Fixed Rate Loans Used	Interest Rate Risk	106.172	-	(113.852)	(7.680)
Cross Money Swap Transactions	Fixed Rate Issued Eurobond	Interest Rate Risk	(73.032)	104.084	-	31.052

[1] The fair value of hedged item and hedging instrument are presented as net market value excluding credit risk and accumulated interest.

Prior Period						
Hedging Item	**Hedged Item**	**Type of Risk**	**Fair Value Change of Hedged Item [1]**	**Fair Value of Hedging Instrument [1]**		**Income Statement Effect (Profit/Loss Through Derivative Financial Instrument)**
				Assets	**Liabilities**	
Interest Rate Swap Transactions	Fixed Rate Issued Eurobond and Green bond	Interest Rate Risk	(112.672)	-	77.745	(34.927)
Interest Rate Swap Transactions	Fixed Rate Loans Used	Interest Rate Risk	107.833	-	(115.332)	(7.499)
Cross Money Swap Transactions	Fixed Rate Issued Eurobond	Interest Rate Risk	(103.960)	152.334	-	48.374

[1] The fair value of hedged item and hedging instrument are presented as net market value excluding credit risk and accumulated interest.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

12. Explanations on tangible assets

The property is located within the Bank's tangible assets are accounted for by the scope of TAS 16 valuation. For the year 2024, appraisal companies authorized by the CMB and BRSA have been appraised, and the value increases based on the appraisal results have been accounted for in the relevant accounts.

Current Period	**Prior Period End**	**Current Period Additions**	**Current Period Disposals**	**Revaluation Surplus**	**Current Period End**
Cost					
Land and buildings	304.571	192	-	84.277	389.040
Assets held under finance leases	4.446	2.397	-	-	6.843
Vehicles	9.551	3.161	(43)	-	12.669
Right to use Securities-Real Estate	190.313	101.992	-	-	292.305
Assets held for resale	-	-	-	-	-
Other	60.572	12.850	(2.153)	-	71.269
Total Cost	**569.453**	**120.592**	**(2.196)**	**84.277**	**772.126**
Accumulated depreciation					
Land and buildings	(2.561)	(1.213)	-	-	(3.774)
Assets held under finance leases	(278)	(1.596)	-	-	(1.874)
Right to use Securities-Real Estate	(2.590)	(2.001)	43	-	(4.548)
Vehicles	(79.395)	(68.911)	-	-	(148.306)
Assets held for resale	-	-	-	-	-
Other	(34.492)	(8.596)	2.108	-	(40.980)
Total accumulated depreciation	**(119.316)**	**(82.317)**	**2.151**	**-**	**(199.482)**
Impairment provision					
Land and buildings	-	-	-	-	-
Assets held under finance leases	-	-	-	-	-
Right to use Securities-Real Estate	-	-	-	-	-
Vehicles	-	-	-	-	-
Assets held for resale	-	-	-	-	-
Other	-	-	-	-	-
Total impairment provision	-	-	-	-	-
Net Book Value	**450.137**	**38.275**	**(45)**	**84.277**	**572.644**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

12. Explanations on tangible assets (continued)

Prior Period	Prior Period End	Current Period Additions	Current Period Disposals	Revaluation Surplus	Current Period End
Cost					
Land and buildings	172.791	-	-	131.780	304.571
Assets held under finance leases	-	4.446	-	-	4.446
Vehicles	6.839	2.802	(90)	-	9.551
Right to use Securities-Real Estate	53.737	136.576	-	-	190.313
Assets held for resale	-	-	-	-	-
Other	47.350	14.322	(1.100)	-	60.572
Total Cost	**280.717**	**158.146**	**(1.190)**	**131.780**	**569.453**
Accumulated depreciation					
Land and buildings	(1.906)	(655)	-	-	(2.561)
Assets held under finance leases	-	(278)	-	-	(278)
Vehicles	(1.271)	(1.409)	90	-	(2.590)
Right to use Securities-Real Estate	(51.671)	(27.724)	-	-	(79.395)
Assets held for resale	-	-	-	-	-
Other	(29.164)	(6.335)	1.007	-	(34.492)
Total accumulated depreciation	**(84.012)**	**(36.401)**	**1.097**	**-**	**(119.316)**
Impairment provision					
Land and buildings	-	-	-	-	-
Assets held under finance leases	-	-	-	-	-
Vehicles	-	-	-	-	-
Right to use Securities-Real Estate	-	-	-	-	-
Assets held for resale	-	-	-	-	-
Other	-	-	-	-	-
Total impairment provision	-	-	-	-	-
Net book value	**196.705**	**121.745**	**(93)**	**131.780**	**450.137**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

13. Explanations on tangible assets

13.a Useful life or amortization rates used:

Tangible assets, purchased before 1 January 2005, are accounted for at their restated costs as of December 31, 2004, and the assets purchased in the following periods are accounted for at acquisition cost less accumulated depreciation and reserve for impairment. Rental or administrative purposes or other unspecified purposes of assets that under construction will be amortized when they are ready to use.

13.b Amortization methods used:

The intangible assets are amortized principally on straight line basis which amortize the assets over their expected useful lives.

13.c Cost and accumulated amortization at the beginning and end of the period:

	Beginning of Current Period		End of Current Period	
Current Period	**Gross Book Value**	**Accumulated Amortization**	**Gross Book Value**	**Accumulated Amortization**
Software	18.995	(13.700)	21.870	(15.885)

	Beginning of Prior Period		End of Prior Period	
Prior Period	**Gross Book Value**	**Accumulated Amortization**	**Gross Book Value**	**Accumulated Amortization**
Software	13.370	(10.494)	18.995	(13.700)

13.d Movement of cost and accumulated amortization for the period:

Current Period	Closing Balance of Prior Period	Current Year Additions	Current Year Disposals	Closing Balance of Current Period
Cost:				
Software	18.995	3.353	(478)	21.870
Total Cost	**18.995**	**3.353**	**(478)**	**21.870**
Accumulated amortization:				
Software	(13.700)	(2.663)	478	(15.885)
Total Accumulated Amortization	**(13.700)**	(2.663)	**478**	**(15.885)**
Impairment provision:				
Software	-	-	-	-
Total Impairment provision	**-**	**-**	**-**	**-**
Net Book Value	**5.295**	**690**	**-**	**5.985**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

13. Explanations on intangible assets (continued)

13.d Movement of cost and accumulated amortization for the period: (continued)

Prior Period	Closing Balance of Prior Period	Current Year Additions	Current Year Disposals	Closing Balance of Current Period
Cost:				
Software	13.370	5.625	-	18.995
Total Cost	**13.370**	**5.625**	**-**	**18.995**
Accumulated amortization:				
Software	(10.494)	(3.206)	-	(13.700)
Total Accumulated Amortization	**(10.494)**	**(3.206)**	**-**	**(13.700)**
Impairment provision:				
Software	-	-	-	-
Total Impairment provision	**-**	**-**	**-**	**-**
Net Book Value	**2.876**	**2.419**	**-**	**5.295**

13.e The net book value, description and the remaining amortization period of any material individual intangible asset in the financial statements:

As at the reporting date, the Bank has no individual intangible asset which is material in the financial statements as a whole (December 31, 2023: None).

13.f Disclosure for intangible assets acquired through government grants and accounted for at fair value at initial recognition:

As at the reporting date, the Bank has no intangible assets acquired through government grants (December 31, 2023: None).

13.g The method of subsequent measurement for intangible assets that are acquired through government incentives and recorded at fair value at the initial recognition:

As at the reporting date, the Bank has no intangible assets acquired with government incentives (December 31, 2023: None).

13.h The book value of intangible assets that are pledged or restricted for use:

As at the reporting date, there are no intangible assets with restricted use or pledged (December 31, 2023: None).

13.i Amount of purchase commitments for intangible assets:

As at the reporting date, the Bank has no purchase commitments for intangible assets (December 31, 2023: None)

13.j Information on revalued intangible assets according to their types:

The Bank did not revalue its intangible assets as at the reporting date (December 31, 2023: None).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

13. Explanations on intangible assets (continued)

13.k Amount of total research and development expenses recorded in income statement within the period, if any:

The Bank has no research and development costs expensed in the current period (December 31, 2023: None)

13.l Information on goodwill:

As at the reporting date, the Bank has no goodwill (December 31, 2023: None).

13.m The carrying value of goodwill at beginning and end of the period, and movements within the period:

As at the reporting date, the Bank has no goodwill in the accompanying financial statements (December 31, 2023: None).

13.n The carrying value of negative goodwill at beginning and end of the period, and movements within the period:

As at the reporting date, the Bank has no negative goodwill in the accompanying financial statements (December 31, 2023: None).

14. Information on investment property

The Bank has no investment property (December 31, 2023: None).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

15. Information on deferred tax assets

15.a Temporary differences, tax losses, exemptions and deductions reflected to balance sheet as deferred tax asset:

The Bank has computed deferred tax asset or liability on temporary differences arising from carrying values of assets and liabilities in the accompanying financial statements and their tax bases.

Deferred tax asset:	**Current Period**	**Prior Period**
Loan commissions accrual adjustment	89.961	67.478
Other provisions	1.489.428	1.581.182
Employee benefit provision	30.725	10.537
Marketable securities	-	142.402
Tangible fixed assets economic life differences	5.732	8.118
Other[1]	83.518	29.158
Total Deferred Tax Asset	**1.699.364**	**1.838.875**
Deferred tax liability:		
Valuation of derivative instruments		
Funds borrowed commissions accrual adjustment	(527.528)	(235.992)
Useful life difference of fixed assets	(166.321)	(74.847)
Other [2]	(645.501)	-
Total Deferred Tax Liability	-	-
Net Deferred Tax Asset	(94.907)	(81.037)
Loan commissions accrual adjustment	**(1.434.257)**	**(391.876)**
Other provisions		
Employee benefit provision	**265.107**	**1.446.999**

[1] In the Other item, there is also a deferred tax asset of TL 30.344 related to right of use assets and TL 30.000 related to other provisions. (December 31, 2023: TL 3.750 right of use assets and TL 21.000 other provision tax assets)
[2] In the Other item, there is also a deferred tax liability of TL 31.832 related to hedge accounting (December 31, 2023: TL 32.350 tax) asset).

	Current Period	**Current Period**
Deferred Tax as of January 1 Asset/(Liability) - Net	1.446.999	710.021
Deferred Tax (Loss)/Gain	(1.172.831)	687.797
Deferred Tax that is Realized Under Shareholder's Equity [1]	(9.061)	49.181
Deferred Tax Asset/(Liability) Net	**265.107**	**1.446.999**

15.b Temporary differences over which deferred tax asset are not computed and recorded in the balance sheet in prior periods, if so, their expiry date, losses and tax deductions and exceptions:

The Bank has no deductible temporary differences that are not included in calculation of deferred tax asset and not reflected to financial statements in prior periods. (December 31, 2023: None)

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

15. Information on deferred tax assets (continued)

15.c Allowance for deferred tax and deferred tax assets from reversal of allowance:

As of the reporting date, the Bank has no allowance for deferred tax and deferred tax liability from reversal of allowance (December 31, 2023: None).

16. Explanation on assets held for sale

As of the balance sheet date, the Bank has no fixed asset transactions held for sale or discontinued operations (31 December 2023: None).

17. Information about other assets

17.a Other assets which exceed 10% of the balance sheet total and breakdown of these which constitute at least 20% of grand total:

Other assets do not exceed 10% of total assets, excluding off-balance sheet commitments (December 31, 2023: None).

II. Explanations and disclosures related to the liabilities

1. Information of maturity structure of deposits

1.a Maturity structure of deposits:

The Bank is not authorized to accept deposits.

1.b Information on saving deposits under the guarantee of saving deposit insurance fund and exceeding the limit of deposit insurance fund:

The Bank is not authorized to accept deposits.

1.c Information on the scope whether the Bank with a foreign head office suit saving deposit insurance of the related country:

The Bank is not authorized to accept deposits.

1.d Saving deposits which are not under the guarantee of deposit insurance fund:

The Bank is not authorized to accept deposits.

2. Negative differences table related to derivative financial liabilities

	Current Period		Prior Period	
Derivative Financial Liabilities [1]	**TL**	**FC**	**TL**	**FC**
Forward Transactions	3.101	486	11.755	642
Swap Transactions	157.686	719.121	21.132	944.653
Futures Transactions	-	-	-	-
Options	-	24	-	-
Other	-	-	-	-
Total	**160.787**	**719.631**	**32.887**	**945.295**

[1] *Derivative financial liabilities for hedging purposes amounting to TL 417.848 (December 31, 2023: 169.976 TL), were presented at "Derivative Financial Liabilities".*

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities (continued)

3. Information on banks and other financial institutions

3.a General Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Loans from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	19.000	-	175.418	-
From Foreign Banks, Institutions and Funds	-	123.981.589	-	106.675.692
Total	**19.000**	**123.981.589**	**175.418**	**106.675.692**

3.b Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Short-term	19.000	-	175.418	601.435
Medium and long-term	-	123.981.589	-	106.074.257
Total	**19.000**	**123.981.589**	**175.418**	**106.675.692**

3.c Information on marketable securities issued

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Nominal	-	50.565.893	-	31.248.930
Cost	-	50.370.730	-	31.086.300
Book Value	-	51.561.928	-	32.227.091

As of December 31, 2024, the details of the bonds issued by the Bank, which have not yet reached their maturity date, are as follows:

Date of Issuance	Maturity Date	Currency Type	Nominal Amount	Interest Rate	Coupon Payment Frequency
23/01/2020	23/01/2025	USD	400.000.000	6,00%	6 months old
14/01/2021	14/01/2026	USD	350.000.000	5,88%	6 months old
19/09/2023	19/10/2028	USD	300.000.000	9,38%	6 months old
13/08/2024	13/02/2025	USD	27.000.000	6,08%	-
27/08/2024	27/02/2025	USD	10.000.000	5,95%	-
28/08/2024	28/02/2025	USD	5.000.000	5,80%	-
17/10/2024	17/10/2029	USD	350.000.000	7,13%	6 months old

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities (continued)

3. Information on banks and other financial institutions (continued)

3.d Additional information about the concentrated areas of liabilities:

Under normal banking operations, the Bank provided funds under repurchase agreements and funds borrowed. Fund resources of the Bank particularly consist of foreign FC funds borrowed and FC and TL repurchase transactions. Information relating to funds provided under repurchase agreements is shown in the table below:

	Current Period		Prior Period	
Funds From Repurchase Agreements Transactions [1]	**TL**	**FC**	**TL**	**FC**
From Domestic Transactions	1.961.247	1.319.277	256.134	1.615.740
Financial institutions and organizations	1.551.928	-	1.428	-
Other institutions and organizations	409.144	1.319.277	254.516	1.615.740
Real persons	175	-	190	-
From Foreign Transactions	-	-	3	609.182
Financial institutions and organizations	-	-	-	609.182
Other institutions and organizations	-	-	3	-
Real persons	-	-	-	-
Total	**1.961.247**	**1.319.277**	**256.137**	**2.224.922**

[1] The details of Interbank Money Markets Debts are not included in this table. No Debts to Interbank Money Markets during the period 31 December 2024 (December 31, 2023: None).

4. Other liabilities which exceed 10% of the balance sheet total and the breakdown of these which constitute at least 20% of grand total

There are no other liabilities, which exceed 10% of the balance sheet total (December 31, 2023: None).

5. Information on financial lease obligations (net)

5.a Explanations on finance lease payables:

As of the balance sheet date, 163 computers are the subject of financial leasing transactions. In the current period, the Bank has TL 5.019 liabilities related to financial leasing transactions (December 31, 2023: 4.128 TL).

5.b Explanations regarding operational leases:

As of the reporting date, the Bank's 2 head office buildings, 1 branch, 11 cars, 442 phones and 127 computers are subject to operational leasing. The Bank has no liability for operational leases in the current period (December 31, 2023: 2 head office buildings, 1 branch, 9 cars and 388 phones and 298 computers under operational leasing). In the current period, the Bank has lease liability with TFRS 16 amounting to TL 242.736 related to operational lease transactions (December 31, 2023: TL 123.168)

5.c Explanations on the lessor and lessee in sales and lease back transactions, agreement conditions, and major agreement terms:

The Bank has no sale and lease back transactions as of the reporting date (December 31, 2023: None)

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities (continued)

6. Negative differences on derivative financial instruments held for hedging purposes:

	Current Period		Prior Period	
	TP	**YP**	**TP**	**YP**
Fair Value Hedge [1]	-	417.848	-	169.976
Cash Flow Hedge	-	-	-	-
Net Investment Hedge in a foreign operation	-	-	-	-
Total	**-**	**417.848**	**-**	**169.976**

[1] Derivative financial liabilities for hedging purposes were presented at "Derivative Financial Liabilities" line.

7. Explanations on provisions

7.a Foreign exchange losses on the foreign currency indexed loans and finance lease receivables:

The Bank has no foreign exchange losses on the foreign currency-indexed loans. (December 31, 2023: None).

7.b Third stage expected loss provisions on non-compensated and non-cash loans or expected losses on non-cash loans:

As of the reporting date, the Bank's third stage expected loss provisions provided for indemnified non cash loans amounts to TL 4.153 (December 31, 2023: 84.696 TL). The Bank has an expected loss provision amounting to TL 113.417 "for non-cash loans (December 31, 2023: TL 112.766).

7.c Information on other provision:

7.c.1 Free provision for possible risks:

Free provision amounting to TL 2.050.000 provided by the Bank management in the current period for possible results of the circumstances which may arise from possible changes in the economy and market TL 300.000 of this amount has been allocated in the current period (31 December 2023: TL 1.750.000).

7.c.2 Information on employee termination benefits and unused vacation accrual

The Bank has calculated reserve for employee termination benefits by using actuarial valuations as set out in the Turkish Accounting Standard No: 19 and reflected the calculated amount to the financial statements.

The following actuarial assumptions were used in calculating total liabilities.

	Current Period (%)	**Prior Period (%)**
Real Discount Rate	3,98	3,28
Nominal Discount Rate	26,70	23,58
Inflation Rate	21,85	19,65

As of December 31, 2024, employee termination benefits is amounting TL 69.239 reflected in financial statements (December 31, 2023: TL 17.854). As of December 31, 2024, the Bank has provided a reserve for unused vacation amounting to TL 133.178 (December 31, 2023: TL 17.269). This balance is classified under reserve for employee benefits in the financial statements.

Actuarial gain amount of TL 48.113 are consisted after January 1, 2024, are recognized under equity in accordance with revised TAS 19 standard (December 31, 2023: TL 4.985 actuarial gain)

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities (continued)

7. Explanations on provisions (continued)

7.c Information on other provision: (continued)

7.c.2 Information on employee termination benefits and unused vacation accrua (continued)

Liabilities on pension rights

As explained on the Section Three, Accounting Policies, XV. Explanations on Liabilities Regarding Employee Benefits as of December 31, 2024, the Bank has no obligations on pension rights (December 31, 2023: None).

Liabilities for pension funds established in accordance with Social Security Institution

None (December 31, 2023: None).

Liabilities resulting from all kinds of pension funds, foundations etc. which provide post-retirement benefits for the employees

The Bank's present value of the liabilities of TSKB A.Ş. Memur ve Müstahdemleri Yardım ve Emekli Vakfı fund, subject to the transfer to the Social Security Institution of the Pension Fund as of December 31, 2024 has been calculated by an independent actuary in accordance with the actuarial assumptions in the Law and as per actuarial report dated 22 January 2025, there is no need for technical or actual deficit to book provision as of December 31, 2024.

The Bank's present value of the liabilities of TSKB A.Ş. Memur ve Müstahdemleri Yardım ve Emekli Vakfı fund, subject to the transfer to the Social Security Institution of the Pension Fund as of December 31, 2024 has been calculated by an independent actuary in accordance with the actuarial assumptions in the Law and as per actuarial report dated 22 January 2024, there is no need for technical or actual deficit to book provision as of December 31, 2024.

Liabilities on pension rights

According to the technical balance sheet reports prepared within the framework of Law No. 5754 published in the Official Gazette No. 26870 dated 8 May 2008 and using the specified rate of 9,80% technical interest, it was reported that there was no technical deficit for the Fund as of 31 December 2024 and 31 December 2023.

The Bank's liability as of the balance sheet date regarding the benefits to be transferred to the Social Security Institution is the estimated payment amount that will be required to be made during the transfer to the Social Security Institution, and the actuarial parameters and results used in measuring this amount reflect the provisions of Law No. 5754 published in the Official Gazette No. 26870 dated 8 May 2008 regarding the retirement and health benefits to be transferred to the Social Security Institution (9,80% real discount rate, etc.).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities (continued)

7. Explanations on provisions (continued)

7.c Information on other provision: (continued)

7.c.2 Information on employee termination benefits and unused vacation accrua (continued)

Liabilities on pension rights **(continued)**

In calculating the liability amount for transferable benefits, largely fixed and specific assumptions are used within the framework of the New Law. However, the final amount of liability that the Bank will incur when the transfer is made may vary depending on factors such as the number of participants and the rate of separation, especially the discount rate, inflation and wage increases.

	Current Period	**Prior Period**
Existence of the Foundation(*)	312.255	247.082
Employee Contributions	2.725.217	1.461.718
Total Assets	**3.037.472**	**1.708.800**
Total Cash Values of Pensions	2.539.967	1.402.240
Total Cash Values of Management Expenses	27.619	15.237
Total Cash Value of Health Benefits	221.942	121.465
Total Liability	**2.789.528**	**1.538.942**
Actual and Technical Surplus Amount	**247.944**	**169.858**

(*)The fair values of the assets have been taken into consideration.

According to the relevant Actuarial Report, the Fund's surplus is 247.944 TL as of December 31, 2024. (December 31, 2023: 169.858 TL).

In the "2. Economic Assumptions" section of Annex-5 of the Circular on Actuarial Audit of Institutions Making Commitments for Retirement (2022/18) which includes the title "Points to be Considered in the Selection of Assumptions", "9.8% real interest rate has been taken as the basis as the discount and return rate for foundations providing services within the scope of the temporary 20th article of the Social Insurance and General Health Insurance Law No. 5510.

"Ceiling Wage Increase Based on Premium" is determined based on the "Ceiling Wage Based on Premium" determined by the Social Security Institution, and it is taken into account that an increase of up to 3% real rate above inflation will be achieved together with the earnings of members paying premiums.

According to Article 55 of Law No. 5510, it is foreseen that the inflation rate in the six-month periods of the year will be used as an increase in the next six-month period for retirement pensions. It is assumed that the increase in the obligation in the payments will be made to the retirement pensions according to the 6-month CPI and that the increase in the payments for the Foundation will be at the annual CPI rate.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities (continued)

7. Explanations on provisions (continued)

7.c Information on other provision (continued)

7.c.3 Explanations on litigation

As of December 31, 2024, litigationis amounting TL 100.000 reflected in financial statements (December 31, 2023: TL 70.000)

7.c.4 If other provisions exceed 10% of total provisions, the name and amount of sub-accounts:

Not available (December 31, 2023: Not available.).

8. Explanations on taxes payable

8.a Explanations on current taxes payable:

8.a.1 Explanations on taxes payable

	Current Period		Prior Period	
Corporate Taxes and Deferred Taxes	**TL**	**FC**	**TL**	**FC**
Corporate Tax Payable	281.136	-	839.776	-
Deferred Tax Liability	-	-	-	-
Total	**281.136**	**-**	**839.776**	**-**

8.a.2 Information on taxes payable:

	Current Period	Prior Period
Corporate Taxes Payable	281.136	839.776
Taxation of Securities	6.406	2.335
Property Tax	-	-
Banking and Insurance Transaction Tax (BITT)	43.331	33.754
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	7.373	3.366
Other	28.906	14.563
Total	**367.152**	**893.794**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities (continued)

8. Explanations on taxes payable (continued)

8.a Explanations on current taxes payable: (continued)

8.a.3 Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	-	-
Social Security Premiums-Employer	-	-
Bank Social Aid Pension Fund Premium-Edavamployee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment insurance-Employee	538	314
Unemployment insurance-Employer	1.075	627
Other	-	-
Total	**1.613**	**941**

8.b Information on deferred taxes liabilities:

As at the reporting date, the Bank has no deferred tax liability (December 31, 2023: None)

9. Explanations on liabilities regarding assets held for sale

None (December 31, 2023: None).

10. Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any:

As of March 21, 2024, the Bank has provided a sustainable subordinated loan with a nominal amount of USD 300 million and a redemption date of March 21, 2029, with a coupon payment every 6 month.

The Bank decided to exercise the early redemption option of the contribution capital bond issue, which had a nominal amount of USD 200 million in 31 March 2027 with a coupon payment every 6 month.

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Instruments Subject to Common Equity	-	10.800.864	-	6.043.090
Subordinated Loans	-	-	-	6.043.090
Subordinated Debt Instruments	-	10.800.864	-	-
Debt Instruments Subject to Tier II Equity	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Total	**-**	**10.800.864**	**-**	**6.043.090**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities (continued)

11. Explanations on shareholders' equity

11.a Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	2.800.000	2.800.000
Preferred stock	-	-

11.b Paid-in capital amount, explanation as to whether the registered share capital system ceiling is applicable at bank, if so, amount of registered share capital:

Capital System	Paid-in capital	Ceiling
Registered Capital System	2.800.000	7.500.000

11.c Information on share capital increases and their sources; other information on increased capital shares in current period:

In line with the decision taken at the Ordinary General Assembly held on 28 March 2024, the Bank does not have any capital increase during the current period.

In line with the decision taken at the Ordinary General Assembly held on 28 March 2023, the Bank does not have any capital increase during the current period.

11.d Information on share capital increases from capital reserves:

None (December 31, 2023: None).

11.e Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments:

The Bank has no capital commitments for its associates in the last fiscal year and at the end of the following period. (December 31, 2023: None)

11.f Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

The prior period income, profitability and liquidity of the Bank and their trends in the successive periods are followed by Budget Planning Department by considering the outcomes of the potential changes in the foreign exchange rate, interest rate and maturity alterations on profitability and liquidity under various scenario analyses.

The Bank operations are profitable, and the Bank retains the major part of its profit capital reserves within the shareholders equity.

11.g Information on preferred shares which representing the capital

There are no privileges granted to the Bank's shares representing the capital (December 31, 2023: None).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities (continued)

11. Explanations on shareholders' equity (continued)

11.h Information on marketable securities value increase fund:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
From Associates, Subsidiaries, and Entities Under Common Control	**2.864.916**	**-**	**2.191.737**	**-**
Financial Assets at Fair Value Through Profit or Loss	**1.121.437**	**197.133**	**1.042.661**	**54.353**
Valuation Differences	663.230	197.133	657.127	54.353
Foreign Exchange Difference	458.207	-	385.534	-
Total	**3.986.353**	**197.133**	**3.234.398**	**54.353**

11.i Information on legal reserves:

	Current Period	Prior Period
First legal reserve	645.497	631.996
Second legal reserve	-	-
Other legal reserves appropriated in accordance with special legislation	-	-
Total	**645.497**	**631.996**

11.j Information on extraordinary reserves:

	Current Period	Prior Period
Reserves appropriated by the General Assembly	14.329.918	7.301.942
Retained earnings	-	-
Accumulated losses	-	-
Foreign currency share capital exchange differences	-	-
Total	**14.329.918**	**7.301.942**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the off-balance sheet items

1. Explanation on off-balance sheet liabilities

1.a Types and amount of irrevocable loan commitments:

	Current Period	Prior Period
Commitments for Forward Purchase and Sales of Assets	848.301	342.039
Commitments for Stock Brokerage Purchase and Sales	254.255	512.887
Commitments for Letter of Credit	574.672	774.141
Capital commitments for subsidiaries and associates [1]	142.284	168.814
Other	39.897	100.002
Total	**1.859.409**	**1.897.883**

[1] The Bank, the European Investment Fund, to be established by Turkish Growth and Innovation Fund (TGIF) purchase of shares of the fund established under the name situated remaining amount that commitment and capital participation commitment regarding the cash capital increase of TSKB Sürdürülebilirlik A.Ş.

1.b Possible losses and commitments related to off-balance sheet items including items listed below:

1.b.1 Non-cash loans including guarantees, surety and acceptances, financial collaterals and other letters of credits:

As of the reporting date, total letters of credit, surety and acceptances amount to TL 12.968.450 (December 31, 2023: TL 4.121.492).

1.b.2 Certain guarantees, tentative guarantees, surety ships and similar transactions:

As of the reporting date, total letters of guarantee given by the Bank is TL 8.626.890 (December 31.2023: TL 8.101.353).

1.c.1 Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash loans given against obtaining cash loans	4.520.928	4.778.716
With maturity of one year or less than one year	1.402.661	33.829
With maturity of more than one year	3.118.267	4.744.887
Other non-cash loans	17.074.412	7.444.129
Total	**21.595.340**	**12.222.845**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the off-balance sheet items (Continued)

1. Explanations and disclosures related to the off-balance sheet items (Continued)

1.c.2 Information on sectoral risk concentration of non cash loans: (Continued)

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	-	-	-	-	-	-	-	-
Farming and stockbreeding	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
Industry	3.194.592	95	16.252.567	89	2.257.917	90	7.803.640	80
Mining	4.552	-	1.292.433	7	2.491	-	-	-
Manufacturing Industry	2.105.252	63	10.803.666	59	1.596.383	64	2.695.186	28
Electricity, Gas, Water	1.084.788	32	4.156.468	23	659.043	26	5.108.454	52
Construction	1.972	-	18.027	-	1.972	-	275.847	3
Services	134.309	4	1.430.096	8	229.138	9	1.472.460	15
Wholesale and Retail Trade	-	-	657	-	-	-	584	-
Hotel, Food and Beverage Services	-	-	-	-	156.904	6	-	-
Transportation and Communication	1.138	-	1.402.660	8	1.138	-	1.465.838	15
Financial Institutions	131.096	4	26.779	-	71.096	3	6.038	-
Real Asset and Leasing Services	2.075	-	-	-	-	-	-	-
Self-employment Services	-	-	-	-	-	-	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	19.550	1	544.227	3	19.550	1	162.321	2
Total	**3.350.423**	**100**	**18.244.917**	**100**	**2.508.577**	**100**	**9.714.268**	**100**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the off-balance sheet items (Continued)

1. Explanations and disclosures related to the off-balance sheet items (Continued)

1.c.3 Information on non cash loans classified under Group I and Group II:

	I st Group				II nd Group			
	Current Period		Prior Period		Current Period		Prior Period	
	TL	FC	TL	FC	TL	FC	TL	FC
Non-cash Loans	3.323.785	18.226.233	2.488.076	9.036.904	18.331	18.684	14.454	417.659
Letters of Guarantee (1)	2.791.734	5.808.518	2.358.373	5.321.546	18.331	-	14.454	400.933
Bank Acceptances	-	131.339	-	-	-	-	-	-
Letters of Credit (2)	532.051	12.286.376	129.703	3.715.358	-	18.684	-	16.726
Endorsements	-	-	-	-	-	-	-	-
Purchase Guarantees on Issuance of Securities	-	-	-	-	-	-	-	-
Factoring Guarantees	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-

(1) The letter of guarantee followed in the stage III,, V are respectively amounting to TL 11 and TL 8.296 (December 31, 2023: III., IV., V. respectively amounting to 11 TL, 5.112 TL, 924 TL).

(2) The amount of the letter of credit followed by the. (December 31, 2023: TL 259.705).

2. Explanation related to derivative financial instruments

As of December 31, 2024, the Bank's breakdown of term foreign exchange, money and interest swap transactions is as follows in foreign currency and TL denominated equivalents.

Current Period	Forward Buy	Forward Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Futures Buy	Futures Sell	Fair Value Hedge
TL	268.295	118.364	2.996.473	13.909.940	-	-	-	-	-
US Dollar	144.580	302.410	46.030.447	22.009.441	9.884	9.884	-	-	54.382.297
Euro	37.136	37.136	8.159.738	20.340.758	9.701	9.701	-	-	14.916.404
Other	1.641	1.584	859.826	861.222	-	-	-	-	-
Total	**451.652**	**459.494**	**58.046.484**	**57.121.361**	**19.585**	**19.585**	**-**	**-**	**69.298.701**

Prior Period	Forward Buy	Forward Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Futures Buy	Futures Sell	Fair Value Hedge
TL	506.702	-	30.722	13.173.997	-	-	-	-	-
US Dollar	31.931	282.704	39.800.023	24.039.385	-	-	-	-	25.514.823
Euro	32.464	254.843	8.378.295	11.213.436	-	-	-	-	13.273.232
Other	-	-	626.441	625.811	-	-	-	-	-
Total	**571.097**	**537.547**	**48.835.481**	**49.052.629**	**-**	**-**	**-**	**-**	**38.788.055**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the off-balance sheet items (continued)

2. Explanation related to derivative financial instruments (continued)

	Current Period			Prior Period		
Derivative Financial Liabilities Held For Trading	**Fair Value Assets**	**Fair Value Liabilities**	**Notional Amount in Turkish Lira Equivalent**	**Fair Value Liabilities**	**Fair Value Assets**	**Notional Amount in Turkish Lira Equivalent**
Swap Transactions	1.218.403	323.159	58.709.875	643.447	206.133	39.951.168
Interest Rate Swap Transactions	715.800	553.648	56.457.970	974.293	759.652	57.936.942
Forward Transactions	3.805	3.587	911.146	6.318	12.397	1.108.644
Option Transactions	24	24	39.170	-	-	-
Other	-	-	-	-	-	-
Total	**1.938.032**	**880.418**	**116.118.161**	**1.624.058**	**978.182**	**98.996.754**

Fair value hedge

In the year ended 31 December 2024, the Bank had hedging swap interest and money trading transactions with a nominal amount of TL 69.298.701 (December 31, 2023: TL 38.788.055).

Hedging from the cash-flow risk

As of December 31, 2024 there is no cash-flow hedging transactions (December 31, 2023: None).

3. Explanations on loan derivatives and risk exposures

The Bank has no risk of credit derivatives or incurred as a result of them (December 31, 2023: None).

4. Explanations on contingent liabilities and assets

There are 29 legal cases against the Bank which are amounting to TL 156.631 as of the reporting date (December 31, 2023: TL 648 - 32 legal cases).

According to Legal Department of the Bank, it is not expected that the other lawsuits against the Bank will have a significant impact on the financial statements. The provision for a lawsuit filed against the Bank is included in the Note 7.c.3 of Section Five.

5. Custodian and intermediary services:

The Bank has not provides trading and safe keeping services in the name and account of real persons, legal entities, funds, pension funds and other entities, which are presented in the statement of contingencies and commitments. The details of the securities taken as collateral are shown in the off-balance sheet accounts.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the income statement

1. Information on interest income

1.a Information on interest on loans:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Interest on loans [1]				
Short term loans	88.115	452.287	128.896	525.080
Medium and long term loans	3.501.172	12.720.066	1.500.007	9.102.668
Interest on non-performing loans	35.646	55.682	9.854	-
Premiums received from resource utilization support fund	-	-	-	-
Total	**3.624.933**	**13.228.035**	**1.638.757**	**9.627.748**

[1] Commission income from loans has been included to the interest on loans.

1.b Information on interest received from banks:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
The Central Bank of Turkey [1]	752	-	82	-
Domestic banks	25.231	57.565	3.299	21.653
Foreign banks	-	6.604	-	2.405
Branches and head office abroad	-	-	-	-
Total	**25.983**	**64.169**	**3.381**	**24.058**

[1] Interests given to the Turkish Lira and US Dollar portion of the CBRT Required Reserves, reserve options and unrestricted accounts have been presented under "The Central Bank of Turkey" line in the financial statements.

1.c Information on interest received from marketable securities:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Financial Assets at Fair Value Through Profit and Loss	4.333	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	2.999.177	333.688	599.562	392.997
Financial Assets Measured at Amortized Cost	4.097.551	975.369	3.338.292	659.068
Total	**7.101.061**	**1.309.057**	**3.937.854**	**1.052.065**

As indicated in accounting policies, the bank evaluate its Consumer Price Indexed (CPI) government bonds which are in securities portfolio of the Bank base on reference index at date of issue and estimated CPI's. The estimated CPI's is updated when it seems necessary.

As of December 31, 2024, the valuation of the said securities was calculated using the October 2023-October 2024 annual actual index rate (48.6%). (December 31, 2023: 61.4%).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the income statement (continued)

1. Information on interest income (continued)

1.d Information on interest income received from associates and subsidiaries:

	Current Period	Prior Period
Interest received from associates and subsidiaries	206.446	158.211

2. Information on interest expenses

2.a Information on interest on funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	562.104	2.589.054	11.624	2.273.884
The Central Bank of Turkey	-	-	-	-
Domestic banks	139.870	216.543	11.624	621.678
Foreign banks	422.234	2.372.511	-	1.652.206
Branches and head office abroad	-	-	-	-
Other financial institutions	-	4.760.930	-	3.636.572
Total (1)	**562.104**	**7.349.984**	**11.624**	**5.910.456**

(1) *Commissions given to Banks and Other Institutions have been included to interest expense on funds borrowed.*

2.b Information on interest expense to associates and subsidiaries:

The Bank has no interest expense to its associates and subsidiaries (December 31, 2023: None).

2.c Information on interest expense to securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Securities Issued (1)	-	3.708.905	-	1.568.068

(1) Commissions given to issuance have been included to interest expense.

3. Information on dividend income:

	Current period	Prior Period
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	3.022	8.778
Other	3.841	4.212
Total	**6.863**	**12.990**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the income statement (continued)

4. Information on net trading income (net)

	Current Period	Prior Period
Profit	**42.853.984**	**7.947.556**
Gains on capital market operations	171.068	54.174
Gains on derivative financial instruments (1)	7.483.655	5.635.745
Foreign exchange gains	35.199.261	2.257.637
Losses (-)	**(44.928.784)**	**(6.249.257)**
Losses on capital market operations	(36.436)	(30.962)
Losses on derivative financial instruments (1)	(8.930.738)	(3.757.773)
Foreign exchange losses	(35.961.610)	(2.460.522)

(1) Foreign exchange gain from derivative transactions amounting to TL 3.670.695 is presented in "Gains on derivative financial instruments" (December 31, 2023: TL 3.468.607), foreign exchange loss from derivative transactions amounting to TL (5.193.239) is presented in "Losses on derivative financial instruments" (December 31, 2023: TL (1.851.292)).

5. Explanation related to other operating income

	Current Period	Prior Period
Provisions Released	789.642	209.999
Gains on Sale of Assets	535	1.613
From Associate and Subsidiary Sales	-	-
From Immovable Fixed Asset Sales	-	-
From Property Sales	535	1.613
From Other Asset Sales	-	-
Other	98.066	24.402
Total	**888.243**	**236.014**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the income statement (continued)

6. Expected credit loss of the Bank

	Current Period	Prior Period
Expected Credit Loss	561.045	3.197.774
12 Months Expected Credit Loss (Stage 1) [1]	(166.250)	530.319
Significant Increase in Credit Risk (Stage 2)	357.163	1.356.763
Non-performing Loans (Stage 3)	370.132	1.310.692
Marketable Securities Impairment Expenses	2.523	1.111
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	2.523	1.111
Associates, Subsidiaries, and Entities under Common Control (Joint Venture) Value Decrease	-	-
Associates	-	-
Subsidiaries	-	-
Entities under Common Control (Joint Venture)	-	-
Other [1]	330.000	870.000
Total	**893.568**	**4.068.885**

[1] As of the reporting date the free provision expense for possible losses amounting to TL 300.000 (December31, 2023: TL 850.000).

[2] Provision cancellations made from Stage 1 loan provisions in the relevant period are shown netted under the expected loss provisions and other provision expenses item.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the income statement (continued)

7. Information related to other operating expenses

	Current Period	Prior Period
Reserve for employee termination benefits	3.272	-
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	82.317	36.401
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	2.663	3.206
Impairment on subsidiaries accounted for under equity method	-	-
Impairment on assets for resale	-	-
Depreciation expenses of assets for resale	-	-
Impairment expenses of assets held for sale	-	-
Other operating expenses	290.471	225.812
Leasing Expenses on TFRS 16 Exceptions	11.679	10.545
Maintenance expenses	4.334	2.770
Advertisement expenses	6.693	3.287
Other expenses (1)	267.765	209.210
Loss on sale of assets	-	-
Other (2)	245.040	167.889
Total	**623.763**	**433.308**

(1) Includes non-bank service expenses of TL 109.185, computer usage expenses of TL 59.215, and communication expenses of TL 30.400 (31 December 2023: Includes non-bank service expenses of TL 46.918, computer usage expenses of TL 37.823, and communication expenses of TL 17.891).

(2) Includes tax and duty expenses excluding corporate tax in the amount of TL 133.468; permit provisions expenses in the amount of TL 15.909 (31 December 2023: Includes tax and duty expenses excluding corporate tax in the amount of TL 94.071; permit provisions expenses in the amount of TL 10.779).

8. Information on tax provision for continued and discontinued operations

Income items for the period ending on 31 December 2024 include net interest income of TL 15.104.937 (31 December 2023: TL 10.234.400), net fee and commission income of TL 513.873 (31 December 2023: TL 453.211) and other operating income of TL 888.243 (31 December 2023: TL 236.014).

The Bank's pre-tax profit as of December 31, 2024 increased by 47,21% compared to the previous period's pre-tax profit. The Bank's net interest income increased by 47,59% compared to the previous period.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the income statement (continued)

9. Explanations on net profit/loss from continued and discontinued operations

9.a Information on current tax charge or benefit and deferred tax charge or benefit:

The Bank has amounting to TL 2.371.538 current tax expense for the period (December 31, 2023: TL 2.938.543). Deferred tax income is TL 1.172.831 (December 31.2023: TL 687.797)

9.b Information related to deferred tax benefit or charge on temporary differences::

Deferred tax income calculated on temporary differences is TL 1.172.831 (December 31, 2023: TL 687.797 income).

9.c Information related to deferred tax benefit/charge on temporary differences, losses, tax deductions and exceptions:

There is no deferred tax income or expense reflected in the income statement in terms of financial losses and tax deductions and exceptions. (December 31, 2023: None).

10. Explanations on net profit/loss from continued and discontinued operations

As of December 31, 2024, the Bank's profit before tax has increased by 43,93% compared to the prior period.

11. Information on net profit/loss

11.a The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period:

Due to ordinary banking transactions, the Bank received interest income of TL 28.643.380 interest expenses of TL, 13.538.443 net fee and commission income of TL 513.873 (December 31, 2023: interest income of TL 7.748.413, interest expenses of TL 453.211, net fee and commission income of TL 453.211).

11.b The effect of the change in accounting estimates to the net profit/loss; including the effects to the future period, if any:

There has no change in the accounting estimates and accordingly effect on the financial statement items.

11.c Minority share of profit and loss:

There is no profit and loss attributable to minority interest in the accompanying unconsolidated financial statements (December 31, 2023: None)

12. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below:

None other than other operating expense explained in Note IV.6, exceeds 10% of the income statement.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. Explanations and disclosures related to the statement of changes in shareholders' equity

1. Informations related to capital

As of the balance sheet date, Paid in capital is TL 2.800.000, legal reserves is TL 645.497, extraordinary legal reserves is TL 14.329.918.

2. Accumulated other comprehensive income or loss not reclassified through profit or loss

Changes in Accumulated other comprehensive income or loss not reclassified through profit or loss includes valuation differences related to tangible assets, Defined Benefit Pension Plan related to Actuarial gains, related to valuation differences of the shares that are being classified fair value through other comprehensive income are being valued at market value in investment in associates, subsidiaries and entities which under equity method.

3. Accumulated other comprehensive income or loss reclassified through profit or loss

Changes in Accumulated other comprehensive income or loss reclassified through profit or loss includes related to exchange differences of the shares that are being classified fair value through other comprehensive imcome and related to revaluation differences of fair value through other comprehensive income.

VI. Explanations related to the statement of cash flows

1. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents

In the current period, other income amounting to TL 632.411 consists of gain on sale of assets and non-interest income (December 31, 2023: TL 131.642 gain on sale of assets, and non-interest income).

Other caption in changes in assets and liabilities from banking operations amounting to (1.402.130) TL (December 31, 2023: 798.211 TL consists of other items such as derivative financial transaction losses, severance pay provision and depreciation expenses, excluding taxes paid, other operating expenses, fees and commissions, and foreign exchange profit/loss.

In the current period, net increase/decrease item in other assets amounting to TL (2.490.811) TL (December 31, 2023: (510.733) TL) consists of change in miscellaneous receivables, reserve requirement and other assets item.

In the current period, net increase/decrease item in other assets amounting to TL 1.361.768 (December 31, 2023: 1.188.138 TL), consists of change in miscellaneous receivables, reserve requirement and other assets item.

In the current period, the effect of changes in foreign currency exchange rates on cash and cash equivalents has realized amounting to TL 386.160 (December 31, 2023: 903.891 TL)

2. Information about cash flows from acquisition of associates, subsidiaries and other investments

In the current period, the Bank invested TL 18.600 in securities and real estate and TL 3.353 in intangible assets. In the current period, the Bank did not contributed to the capital of its subsidiaries in cash.

In the prior period, the Bank has invested TL 21.570 of movable and immovable property and TL 5.625 of intangible assets. In the prior period, the Bank did not contributed to the capital of its subsidiaries in cash.

Information about disposal of associates, subsidiaries, and other investments

In the current period, the Bank has generated a cash inflow of TL 581 on sale of movable fixed assets and properties (December 31, 2023: 1.707 TL).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. Explanations related to the statement of cash flows (continued)

3. Information on cash and cash equivalents at the end of the period

Information on cash and cash equivalents at the beginning of the period:

	Beginning of the Current Period	Beginning of the Prior Period
Cash	-	-
Cash Equivalents	12.104.573	7.056.949
Total	**12.104.573**	**7.056.949**

Information on cash and cash equivalents at the end of the period:

	End of the Current Period	End of the Prior Period
Cash	-	-
Cash Equivalents	9.551.313	12.104.573
Total	**9.551.313**	**12.104.573**

4. Amount of cash and cash equivalents restricted for the usage of the Bank and the shareholders by legal limitations and other reasons

Reserves amounting to TL 2.872.308 (December 31, 2023: 2.897.600 TL) in Turkish Republic Central Bank represent Turkish Lira, foreign currency requirements of the Bank.

5. Additional information related to financial position and liquidity of the Bank

5.a Any unused financial borrowing facility which can be utilized in banking operations and unpaid capital commitments and any restrictions on such facilities:

There are not any unused financial borrowing facilities which can be utilized in banking operations and unpaid capital commitments and any restrictions on such facilities.

5.b Apart from the cash flows needed to run ordinary operations of the Bank, total of cash flows that shows the increase in the operation capacity of the Bank:

Under current economical conditions, the cash flows are followed daily and cash flows showing the increase in the capacity of operations of the Bank are investigated.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VII. Explanations on the risk group of the Bank

1. Information on the volume of transactions related to the Bank's own risk group, outstanding loan and deposit transactions and income and expenses of the period

1.a Current Period:

Risk Group of the Bank	Subsidiaries and Associates		Direct and Indirect Shareholders of the Bank		Other Entities Included In the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at Beginning of Period	2.325.017	2	597.442	-	-	-
Balance at End of Period	2.197.707	2	307.580	-	-	-
Interest and Commission Income	200.776	5.670	46.082	-	-	-

1.b Prior Period:

Risk Group of the Bank	Subsidiaries and Associates		Direct and Indirect Shareholders of the Bank		Other Entities Included In the risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at Beginning of Period	1.496.337	2	592.026	-	-	-
Balance at End of Period	2.325.017	2	597.442	-	-	-
Interest and Commission Income	152.541	5.670	58.831	-	-	-

1.c Information on deposit held by Bank's own risk group:

The Bank is not authorized to accept deposits.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VII. Explanations on the risk group of the Bank (Continued)

2. Information on forward, option and other similar agreements made with Bank's own risk group

Risk Group of the Bank	Subsidiaries and Associates		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Fair Value Through Profit or Loss Transactions						
Beginning of the Period	1.114.465	-	-	-	-	-
End of the Period	982.300	1.114.465	-	-	-	-
Total Profit/Loss [(1)]	(22.914)	(29.516)	-	-	(3.987)	-
Hedging Risk Transactions						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Profit/Loss [(1)]	**-**	**-**	**-**	**-**	**-**	**-**

[(1)] Prior Period includes informations about December 31, 2023.

3. Total salaries and similar benefits provided to the key management personnel

Benefits provided to the key management personnel in the current period amount to TL 133.598 (December 31, 2023: TL 70.173).

VIII. Information and disclosures related to the domestic, foreign offshore branches and foreign representations of the Bank:

1. Domestic and foreign branches and representative offices

	Number	Number of Employees	Country of Incorporation	Total Asset	Statutory Share Capital
Domestic branches	1	456			
Foreign representations	-	-			
Foreign branches	-	-		-	-
Off-shore banking region branches	-	-		-	-

2. Explanation on opening, closing of a branch/agency of the Bank or changing its organizational structure significantly

In the current year, the Bank has not opened any branch or agency and there is no significant change in the organization structure of the Bank's operating branches.

In the prior period, the Bank has not opened any branch or agency and there is no significant change in the organization structure of the Bank's operating branches.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION SIX

OTHER EXPLANATIONS

I. Other explanations related to operations of the Bank

1.a Brief information related to ratings carried out by international rating firms:

FITCH RATINGS

Long-term Maturity Foreign Currency (issuer)	B+
Long-term Maturity Foreign Currency Outlook (issuer)	Positive
Short-term Maturity Foreign Currency (issuer)	B
Long-term Maturity National Currency (issuer)	BB-
Long-term Maturity National Currency Outlook (issuer)	Stable
Short-term Maturity National Currency (issuer)	B
State Support Note	b+
National Note	AA
National Note Outlook	Stable
Financial Capacity Note	b+

International credit rating agency Fitch Ratings updated the Bank’s credit ratings on September 17, 2024.

MOODY’S

Reference Credit Rating Note	b2
Foreign Currency (issuer)	
Long-term Maturity	B1
Outlook	Positive
Short-term Maturity	NP
Domestic Currency (issuer)	
Long-term Maturity	B1
Outlook	Positive
Short-term Maturity	NP
Unsecured Debt-Foreign Currency	
Long-term Maturity	B1
Outlook	Positive

Information above represents updated information by Moody’s as of July 23, 2024

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION SIX

OTHER EXPLANATIONS (Continued)

I. Other explanations related to operations of the Bank (Continued)

1.b Informations on corporate governance rating of the Bank:

SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (SAHA Corporate Governance and Credit Rating Services A.Ş.), a corporate governance rating institution with Capital Markets Board license, updated the Bank's corporate governance rating of 96,67% (10 over 9,67) as of October 18, 2024. Ratings under the main topics of weighted Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors are declared as; 9,51 (Weight: 25%), 9,87 (Weight: 25%), 9,89 (Weight: 15%), 9,54 (Weight 35%) over 10 respectively.

1.c Fee information regarding the services received by the Bank from an Independent Auditor and the Other Independent Audit Firms:

In accordance with the decision of the POA dated March 26, 2021, the fee information for the reporting period regarding the services received from the independent auditor and other independent audit firms, on the amonuts excluding VAT, is as follows given in the table. These fees for services rendered to the Bank and its subsidiaries are included.

	Current Period	Prior Period
Independent audit fee for the reporting period (*)	8.029	2.534
Fees for tax advisory services	1.372	929
Fees for other assurance services	16.722	6.689
Fees for services other than independent audit	113	236
Total	**26,236**	**10.388**

(*) The Group's consolidated audit fees are shown.

II. Other explanations related to the events after the reporting date

There are no other explanations and notes not expressed in sections above related with the Bank's operations.

SECTION SEVEN

AUDITORS' REPORT

I. Explanations on the auditors' report

The unconsolidated financial statements for the period ended December 31, 2024 have been audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The independent auditor's audit report dated February 4, 2025 is presented preceding the financial statements.

II. Explanations and notes prepared by independent auditors

There are no other explanations and notes not expressed in sections above related with the Bank's operations.

FINANCIAL STATEMENTS

Independent Auditor's Audit Report, Consolidated Financial Statements And Notes For The Year Ended December 31, 2024

(Convenience translation of publicly announced consolidated year end financial statements and report originally issued in Turkish, See Note I. of Section three)

INDEPENDENT AUDITOR'S REPORT

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH (See Note I of Section Three)

To the General Assembly of Türkiye Sınai Kalkınma Bankası Anonim Şirketi

A. Audit of the Consolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying consolidated financial statements of Türkiye Sınai Kalkınma Bankası Anonim Şirketi ("the Bank") and its subsidiaries (collectively referred to as the "Group"), which comprise the statement of consolidated balance sheet as at 31 December 2024, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, except for the effect of the matter on the consolidated financial statements described in the Basis for Qualified Opinion section below, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

2. Basis for Qualified Opinion

As explained in Section Five Part II 7.c.1 of Explanations and Notes to the consolidated Financial Statements; the accompanying consolidated financial statements as at 31 December 2024 include a free provision amounting to TL 2,050,000 thousand, which consists of TL 1,750,000 thousand provided in prior years and TL 300,000 thousand provided in the current period , by the Group management, outside of the requirements of BRSA Accounting and Financial Reporting Legislation. Had this provision not been accounted for, other provisions would have been decreased by TL 2,050,000 thousand, net profit and equity would have increased by TL 300,000 thousand and TL 2,050,000 thousand, respectively as at 31 December 2024.

Our audit was conducted in accordance with the "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (Including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the consolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our qualified opinion.

INDEPENDENT AUDITOR'S REPORT

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion Section we have determined the matters described below to be key audit matters to be communicated in our report.

Key Audit Matters	How the key audit matter was addressed in the audit
Expected credit losses for loans and receivables The Group has total provision for expected credit losses amounting to TL 7,909,387 thousand in respect to total loans amounting to TL 166,000,071 thousand which represent a significant portion of the Group's total assets in its consolidated financial statements as of 31 December 2024. Explanations and notes regarding expected credit losses on loans are represented in Notes VIII of Section Three, IX of Section Three, II of Section Four, I.5 of Section Five of the accompanying consolidated financial statements as at 31 December 2024. The Group recognizes provision for expected credit losses in accordance with "TFRS 9 Financial Instruments" requirements in line with the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 with number 29750. TFRS 9 is a complex accounting standard which requires considerable judgement and interpretation. These judgements and interpretations are key in the development of the financial models built to measure the expected credit losses on loans recorded at amortized cost. Our audit was focused on this area due to existence of complex estimates and information used in the assessment of expected credit losses such as macroeconomic expectations, current conditions, historical loss experiences; the significance of the loan balances; the correct and timely stage classification of loans as in accordance with applicable regulation and the importance of determination of the associated impairment allowances. The correct classification of loans, timely and correctly identification of loss event and the other judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans. Therefore, this area is considered as key audit matter.	Within our audit procedures, we have assessed policies, procedures and principles established by the Group management with respect to classifications of loans as per their stages and calculation of expected credit losses in accordance with TFRS-9. We tested the design and operating effectiveness of relevant controls implemented in line with these principles. Regarding the methodology on expected credit losses, we assessed and tested together with our financial risk experts the appropriateness of model segmentation, lifetime probability of default, exposure at default, loss given default models, and approaches related to the projection of macroeconomic expectations. To assess whether the Group's classification of loans, impairment identification, and the timely and adequate recognition of impairment allowances are in full compliance with applicable regulatory requirements, we have performed loan review procedures based on a selected sample. For a selected sample, we have evaluated the appropriateness expected credit losses provided for loans based on individual assessment as per the Group's policies by using supportable data and through discussions with the Group's management. We reviewed the consistency and adequacy of disclosures related to loan impairment in the Group's financial statements.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters	How the key audit matter was addressed in the audit
Valuation of Pension Fund obligations Explanations regarding the TSKB A.Ş. Memur ve Müstahdemleri Yardım ve Emekli Vakfı Sandığı ("Fund") and the recognised provision are disclosed in Note II.7.c.2 of Section Five the accompanying consolidated financial statements prepared as of 31 December 2024. TSKB A.Ş. Memur ve Müstahdemleri Yardım ve Emekli Vakfı Sandığı ("Fund") is established in accordance with the Social Security Law numbered 506 article No 20 and is within the scope of Funds whose members' rights to be transferred to the Social Security Institution (SSI). The President is authorized to determine the transfer date. The total obligation of the fund is estimated using separate methods and assumption for benefits to be transferred and for non-transferrable benefits. The calculation of the pension obligations requires significant judgement and technical expertise in choosing appropriate assumptions. Calculation of Pension Fund liabilities include estimates and uncertain assumptions such as transferrable benefits, discount rates, salary increases, economic and demographic assumptions. The Group's management uses external actuaries for the purpose of valuations of Pension Fund obligations. During our audit, above mentioned significant judgement, assumption and estimates used in the calculations of Pension Fund obligations, uncertainty of the transfer date, technical interest rate determined in accordance with the law regulating the transfer conditions and significant impact of any differentiation in these assumptions taken into consideration, and this area is considered as key audit matter.	Within our audit, we tested, on a sample basis, the accuracy of the retiree and employee data provided by the Group's management to the external actuarial firm for the calculation of the Fund's obligations. Additionally, we tested the existence and valuation of the assets reported in the Fund's balance sheet. We assessed whether there were significant changes in the actuarial assumptions used in the calculation, employee benefits provided during the period, plan assets and liabilities, and regulatory requirements related to valuations. With the assistance of our actuarial specialists, we evaluated the reasonableness of the assumptions and valuations applied by external actuaries in the calculation of the obligations. Additionally, we reviewed the disclosures related to pension fund obligations in the Group's consolidated financial statements.

4. Other Matter

The audit of consolidated financial statements of the Group as at and for the year ended 31 December 2023 were conducted by another audit firm who expressed qualified opinion on 5 February 2024 due to free provision accounted, in the consolidated financial statements.

5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the BRSA Accounting and Financial Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

Those charged with governance are responsible for overseeing the Group's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No. 29314 dated 2 April 2015 and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No. 29314 dated 2 April 2015 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

pwc

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Bank's bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Bank's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

Additional Paragraph for Convenience Translation

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 31 December 2024. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Gökçe Yaşar Temel, SMMM
Independent Auditor
Istanbul, 4 February 2025

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

THE CONSOLIDATED FINANCIAL REPORT OF TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. FOR THE YEAR ENDED 31 DECEMBER 2024

Address:	Meclis-i Mebusan Cad. No: 81 Fındıklı/Istanbul
Telephone:	(212) 334 52 58
Fax:	(212) 334 52 34
Website:	www.tskb.com.tr
E-mail:	ir@tskb.com.tr

The consolidated financial report for the year ended includes the following sections in accordance with "Communiqué on the Financial Statements and Related Explanations and Notes that will be made Publicly Announced" as sanctioned by the Banking Regulation and Supervision Agency.

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP WHICH IS UNDER CONSOLIDATION
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITORS' REPORT

The subsidiaries, associates and joint ventures, financial statements of which are consolidated within the framework of the reporting package, are as follows.

Subsidiaries	**Associates**
Yatırım Finansman Menkul Değerler A.Ş.	İş Finansal Kiralama A.Ş.
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.	İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.
	İş Faktoring A.Ş.

The accompanying consolidated financial statements and the explanatory footnotes and disclosures for the year end, unless otherwise indicated, are prepared in thousands of Turkish Lira ("TL"), in accordance with the Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks' records, and have been independently audited and presented as attached.

February 4, 2025

Hakan ARAN **Chairman Of Board Members**	**Murat BİLGİÇ** **Member of Board of Directors and General Manager**	**Tolga SERT** **Executive Vice President In Charge of Financial Reporting**	**Dilek PEKCAN MİŞE** **Head of Financial Control**

İzlem ERDEM **Chairman of Audit Committee**	**Banu ALTUN** **Member of Audit Committee**

Contact information of the personnel in charge for addressing questions about this financial report:

Name-Surname/Title: Dilek Pekcan Mişe/Director In Charge of Financial Reporting
Telephone Number: (212) 334 52 77

INDEX

INDEX

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION ONE

GENERAL INFORMATION

I. The Parent Bank's incorporation date, beginning status, changes in the existing status

Türkiye Sınai Kalkınma Bankası A.Ş. ("The Parent Bank") was established in accordance with the decision of President of the Republic of Turkey numbered 3/11203 on 12 May 1950. This decision was declared by T.R. Office of Prime Ministry Procedures Directorate Decision Management on 12 May 1950.

According to the classification set out in the Banking Law No: 5411, the status of the Parent Bank is "Development and Investment Bank". The Parent Bank does not have the license of "Accepting Deposit". Since the establishment date of the Parent Bank, there is no change in its "Development and Investment Bank" status.

II. Explanations regarding the Parent Bank's shareholding structure, shareholders holding directly or indirectly, collectively or individually, the managing and controlling power and changes in current year, if any and explanations on the controlling group of the Parent Bank

The parent company Türkiye İş Bankası A.Ş. has the authority of managing and controlling power of the Parent Bank directly or indirectly, alone or together with other shareholders. Shareholders of the Parent Bank are as follows:

Current Period **Name Surname/Commercial Title**	**Share Capital**	**Share Rate (%)**	**Paid in Capital**	**Unpaid Capital**
T. İş Bankası A.Ş. Grubu (*)	1.438.281	51,37	1.438.281	-
T. Vakıflar Bankası T.A.O.	234.569	8,38	234.569	-
Under Custody at Merkezi Kayıt Kuruluşu (Other Institutions and Individuals)	1.127.150	40,25	1.127.150	-
Total	**2.800.000**	**100,00**	**2.800.000**	-

Prior Period **Name Surname/Commercial Title**	**Share Capital**	**Share Rate (%)**	**Paid in Capital**	**Unpaid Capital**
T. İş Bankası A.Ş. Grubu	1.438.281	51,37	1.438.281	-
T. Vakıflar Bankası T.A.O.	234.569	8,38	234.569	-
Under Custody at Merkezi Kayıt Kuruluşu (Other Institutions and Individuals)	1.127.150	40,25	1.127.150	-
Total	**2.800.000**	**100,00**	**2.800.000**	**-**

(*) İş Bankası Group, which is the capital of the Bank, includes Türkiye İş Bankası A.Ş. (with a 47,68% share), Milli Reasürans Türk A.Ş. (with a 1,90% share), Anadolu Anonim Türk Sigorta Şirketi (with a 0,89% share) and Anadolu Hayat Emeklilik A.Ş. (with a 0,89% share).

The shares of the parent bank have been traded on Borsa Istanbul (BIST) since December 26, 1986. 51,37% of the shares belong to Türkiye İş Bankası Group, and 41,10% of the shares in actual circulation are traded on the BIST Star Market under the symbol "TSKB".

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

III. Explanations regarding the chairman and the members of board of directors, audit committee, general manager and assistant general managers and their shares and responsibilities in the Parent Bank

The Chairman and The Members of Board of Directors:

Name Surname	Title (1)
Hakan Aran (5)	Chairman of the Board of Directors
Ece Börü	Vice Chairman of the Board of Directors
Murat Bilgiç	Member of the Board of Directors and Genaral Manager
Mithat Rende	Member of the Board of Directors
İzlem Erdem (3)	Independent Member of the Board of Directors and Chairman of Audit Committee
Banu Altun (3)	Independent Member of the Board of Directors and Chairman of Audit Committee
Murat Doğan	Member of the Board of Directors
Ş. Nuray Duran (3)	Member of the Board of Directors
Abdi Serdar Üstünsalih	Member of the Board of Directors
M. Sefa Pamuksuz	Independent Member of the Board of Directors
Cengiz Yavilioğlu	Member of the Board of Directors

General Manager and Vice Presidents(2)(6)

Name Surname	Title/Area of Responsibility
Murat Bilgiç	General Manager
Seyit Hüseyin Gürel	Executive Vice President - Advisory Services Sales, Financial and Technical Consulting, Credit Allocation, Credit Structuring and Resolution, Engineering
Hasan Hepkaya	Executive Vice President - Consulting Services Sales, Corporate Banking Sales, Project Finance, Economic Research, Financial and Technical Consulting, Corporate Banking Marketing, Credit Operations
Meral Murathan	Executive Vice President - Treasury, Treasury and Capital Markets Operations, Financial Institutions and Investor Relations, Development Finance Institutions, Credit Monitoring, Corporate Communications, Climate Change and Sustainability Management
Özlem Bağdatlı	Executive Vice President - Human Resources, Corporate Communications, Legal Affairs, Retirement and Supplementary Foundations
Mustafa Bilinç Tanağardı	Executive Vice President - Application Development, System Support and Operation, Enterprise Architecture and Process Management, Purchasing and Financial Affairs Management
Poyraz Koğacıoğlu	Executive Vice President - Capital Markets, Mergers and Acquisitions, Corporate Finance
Tolga Sert (4)	Executive Vice President - Credit Portfolio Management and Analytics, Financial Analysis, Budget and Planning, Financial Control

(1) The shares held by the above-mentioned persons in the Bank are symbolic.

(2) As of February 29, Mr. Engin Topaloğlu, Executive Vice President of our Bank has resigned from his position due to retirement

(3) At the Ordinary General Assembly Meeting of our Bank held on March 28, 2024; Ms. İzlem Erdem was elected as the Chairman of the Audit Committee, Ms. Banu Altun as the Member of the Audit Committee, and Ms. Ş. Nuray Duran as the Member of the Board of Directors.

(4) At the meeting of the Board of Directors of our Bank dated May 2, 2024; It has been decided to appoint Mr. Tolga Sert as the Deputy General Manager.

(5) Mr. Adnan Bali, our Bank's Board Member and Chairman of the Board, resigned from his position on August 16, 2024. Mr. Hakan Aran was elected as the vacant Board Member within the framework of Article 363 of the Turkish Commercial Code and as the Chairman of the Board within the framework of Article 16 of our Bank's Articles of Association.

(6) By the decision of the Board of Directors of our Bank dated January 21, 2025, it was decided to appoint Mr. Ozan Uyar as Executive General Manager.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

IV. Information about the persons and institutions that have qualified shares in the Parent Bank

Explanation about the people and institutions that have qualified shares control the Parent Bank's capital directly or indirectly are described in General Information Section II.

V. Summary on the Parent Bank's functions and areas of activity

Türkiye Sınai Kalkınma Bankası A.Ş. is the first private development and investment bank which was established by the Council of Ministers resolution number of 3/11203 established in 1950 with the support of World Bank, Government of Republic of Turkey, Central Bank of Republic of Turkey and commercial banks. As per the articles of association published in the Official Gazette on 2 June 1950, the aim of the Parent Bank is to support all private sector investments but mostly industrial sectors, to help domestic and foreign capital owners to finance the new firms and to help the improvement of Turkish capital markets. The Parent Bank is succeeding its aims by financing, consulting, giving technical support and financial intermediary services. The Parent Bank, which operates as a non-deposit accepting bank, played a major role on manufacturing and finance sectors in every phase of the economic development of Turkey. The Parent Bank started its journey in 1950 financing the private sector investments in Turkey and today it provides loans and project finance with the goal of sustainable development to corporations in different fields. As a leader in meeting the long term financing needs of the private sector, the Parent Bank also continues to offer solutions with respect to the newest needs and client demands.

VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and short explanation about the institution subject to line-by-line method or proportional consolidation and institutions which are deducted from equity or not included in these three methods

Due to differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Account Standards (TAS), the non-financial subsidiaries and associates, TSKB Gayrimenkul Değerleme A.Ş., Terme Metal Sanayi ve Ticaret A.Ş., Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş., TSKB Sürdürülebilirlik Danışmanlığı A.Ş. and Anavarza Otelcilik Anonim Şirketi are not consolidated since they are not in scope of financial institutions according to related Communiqué. These non-financial investment in associates and subsidiaries are accounted by the equity method in the consolidated financial statements.

Türkiye Sınai Kalkınma Bankası A.Ş. and its financial institutions, Yatırım Finansman Menkul Değerler A.Ş.and TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. are included in the accompanying consolidated financial statements by line by line consolidation method; İş Finansal Kiralama A.Ş., İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. and İş Faktoring A.Ş. are included in the accompanying consolidated financial statements by equity method.

Financial institutions included in the consolidation are determined in accordance with "Communiqué on Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette dated 8 November 2006 numbered 26340. There are no unconsolidated partnership interests in banks and financial institutions where the Parent Bank owns 10% or more of its capital deducted from equity.

Yatırım Finansman Menkul Değerler A.Ş.:

Yatırım Finansman Menkul Değerler A.Ş. ("YF") was established in 15 October 1976. The Company's purpose is to perform capital market operations specified in the Company's articles of association in accordance with the CMB and the related legislation. The Company participates in Yatırım Varlık Kiralama A.Ş., which was established for the purpose of issuing lease certificates, with a 100% share ratio. The share of Türkiye Sınai Kalkınma Bankası A.Ş. in Yatırım Finansman Menkul Değerler A.Ş. is 95,78%. The company's headquarters is located at Istanbul/Turkey.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and short explanation about the institution subject to line-by-line method or proportional consolidation and institutions which are deducted from equity or not included in these three methods (continued)

TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.:

TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. ("TSKB GYO") was established on 3 February 2006. Core business of the Company is real estate trust to construct and develop a portfolio of properties and make investment to capital market instruments linked to properties. The share of Türkiye Sınai Kalkınma Bankası A.Ş. is 88,61%. The company's headquarters is located at Istanbul/Turkey.

İş Finansal Kiralama A.Ş.:

İş Finansal Kiralama A.Ş. ("İş Finansal Kiralama") was established on 8 February 1988. The Company has been performing its operations in accordance with the Financial Leasing, Factoring and Financing Companies Law No 6361. The purpose of the Company is performing domestic and foreign financial leasing activities and all kind of rental (leasing) transactions within the framework of legislation. The share of Türkiye Sınai Kalkınma Bankası A.Ş. is 29,46%. The Company's headquarters is located at Istanbul/Turkey.

İş Faktoring A.Ş.:

İş Faktoring A.Ş. ("İş Faktoring"), was incorporated in Turkey on 4 July 1993 and it has been performing its operations in accordance with the Financial Leasing, Factoring and Financing Companies Law No: 6361. The Company's main operation is domestic and export factoring transactions. The share of Türkiye Sınai Kalkınma Bankası A.Ş. is 21,75%. The Company's headquarters is located at Istanbul/Turkey.

İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.:

İş Girişim Sermayesi Yatırım Ortaklığı A.Ş ("İş Girişim") started its venture capital operations by the decision of Capital Market Board dated 5 October 2000. The principal activity of the Company is to perform long-term investments to venture capital companies mainly established or to be established in Turkey, have development potential and require resource. The share of Türkiye Sınai Kalkınma Bankası A.Ş. is 16,67%. The Company's headquarters is located at Istanbul/Turkey.

VII. The existing or potential, actual or legal obstacle on the transfer of shareholder's equity between the Parent Bank and its subsidiaries or the reimbursement of liabilities

There is no existing or potential, actual or legal obstacle to the reimbursement of liabilities between the Parent Bank and its subsidiaries. The Parent Bank charge or pay cost of the services according to the service agreements done between the Parent Bank and its subsidiaries. Dividend distribution from shareholders' equity is made according to related legal regulations.

VIII. Written policies of the Parent Bank related to compliance to publicly disclosed obligations of the Parent Bank and assessment of accuracy, frequency and compliance of mentioned disclosures

The Parent Bank Disclosure Policy approved by the meeting of the Board of Directors has entered into force on 28 February 2014. Compliance to public disclosure obligations, frequency of public disclosures and tools and methods used for public disclosures are explained in the disclosure policy of the Parent Bank accessible from the Parent Bank's corporate website.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

			Current Period 31 December 2024			Prior Period 31 December 2023		
	ASSETS	Section 5 Note I	TL	FC	Total	TL	FC	Total
I.	**FINANCIAL ASSETS (NET)**		**16.804.161**	**18.939.663**	**35.743.824**	**12.366.734**	**15.366.459**	**27.733.193**
1.1	**Cash and Cash Equivalents**		**2.050.475**	**10.680.524**	**12.730.999**	**7.630.646**	**7.992.154**	**15.622.800**
1.1.1	Cash and Balances with Central Bank	**(1)**	772	2.879.653	2.880.425	8.683	2.934.142	2.942.825
1.1.2	Banks	**(3)**	98.215	7.805.658	7.903.873	198.512	5.062.745	5.261.257
1.1.3	Money Market Placements		1.952.629	-	1.952.629	7.424.388	-	7.424.388
1.1.4	Expected Credit Losses (-)		1.141	4.787	5.928	937	4.733	5.670
1.2	**Financial Assets at Fair Value Through Profit or Loss**	**(2)**	**1.650.591**	**-**	**1.650.591**	**409.358**	**-**	**409.358**
1.2.1	Government Debt Securities		-	-	-	-	-	-
1.2.2	Equity Instruments		146	-	146	7.440	-	7.440
1.2.3	Other Financial Assets		1.650.445	-	1.650.445	401.918	-	401.918
1.3	**Financial Assets at Fair Value Through Other Comprehensive Income**	**(4)**	**12.407.139**	**5.897.387**	**18.304.526**	**3.851.908**	**5.914.430**	**9.766.338**
1.3.1	Government Debt Securities		11.611.019	5.005.611	16.616.630	3.669.367	5.161.094	8.830.461
1.3.2	Equity Instruments		245.704	891.776	1.137.480	163.648	753.336	916.984
1.3.3	Other Financial Assets		550.416	-	550.416	18.893	-	18.893
1.4	**Derivative Financial Assets**	**(2)**	**695.956**	**2.361.752**	**3.057.708**	**474.822**	**1.459.875**	**1.934.697**
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		695.956	2.361.752	3.057.708	474.822	1.459.875	1.934.697
1.4.2	Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	**FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)**		**23.629.643**	**161.790.627**	**185.420.270**	**18.616.230**	**123.677.102**	**142.293.332**
2.1	**Loans**	**(5)**	**17.250.232**	**151.616.350**	**168.866.582**	**14.151.168**	**117.065.644**	**131.216.812**
2.2	**Lease Receivables**	**(10)**	-	417.553	417.553	34.052	418.318	452.370
2.3	**Factoring Receivables**		-	-	-	-	-	-
2.4	**Other Financial Assets Measured at Amortized Cost**	**(6)**	**9.949.963**	**14.269.752**	**24.219.715**	**8.392.539**	**10.501.573**	**18.894.112**
2.4.1	Government Debt Securities		9.949.963	14.269.752	24.219.715	8.392.539	10.501.573	18.894.112
2.4.2	Other Financial Assets		-	-	-	-	-	-
2.5	**Expected Credit Losses (-)**		**3.570.552**	**4.513.028**	**8.083.580**	**3.961.529**	**4.308.433**	**8.269.962**
III.	**PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (NET)**	**(16)**	**-**	**-**	**-**	**-**	**-**	**-**
3.1	Held for Sale Purpose		-	-	-	-	-	-
3.2	Related to Discontinued Operations		-	-	-	-	-	-
IV.	**EQUITY INVESTMENTS**		**4.361.542**	**-**	**4.361.542**	**2.939.908**	**-**	**2.939.908**
4.1	**Investments in Associates (Net)**	**(7)**	**4.201.492**	**-**	**4.201.492**	**2.825.834**	**-**	**2.825.834**
4.1.1	Accounted Under Equity Method		4.201.492	-	4.201.492	2.825.834	-	2.825.834
4.1.2	Unconsolidated Associates		-	-	-	-	-	-
4.2	**Subsidiaries (Net)**	**(8)**	**133.444**	**-**	**133.444**	**101.016**	**-**	**101.016**
4.2.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated Non-Financial Subsidiaries		133.444	-	133.444	101.016	-	101.016
4.3	**Entities under Common Control (Joint Venture) (Net)**		**26.606**	**-**	**26.606**	**13.058**	**-**	**13.058**
4.3.1	Joint Ventures Valued Based on Equity Method		26.606	-	26.606	13.058	-	13.058
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	**TANGIBLE ASSETS (Net)**	**(12)**	**3.156.735**	**-**	**3.156.735**	**2.237.255**	**-**	**2.237.255**
VI.	**INTANGIBLE ASSETS (Net)**	**(13)**	**8.223**	**-**	**8.223**	**8.118**	**-**	**8.118**
6.1	Goodwill		1.005	-	1.005	1.005	-	1.005
6.2	Other		7.218	-	7.218	7.113	-	7.113
VII.	**INVESTMENT PROPERTY (Net)**	**(14)**	**2.403.800**	**-**	**2.403.800**	**1.430.350**	**-**	**1.430.350**
VIII.	**CURRENT TAX ASSET**		**2.679**	**-**	**2.679**	**691**	**-**	**691**
IX.	**DEFERRED TAX ASSET**	**(15)**	**312.481**	**-**	**312.481**	**1.480.605**	**-**	**1.480.605**
X.	**OTHER ASSETS**	**(17)**	**5.974.711**	**144.717**	**6.119.428**	**2.640.202**	**150.198**	**2.790.400**
	TOTAL ASSETS		**56.653.975**	**180.875.007**	**237.528.982**	**41.720.093**	**139.193.759**	**180.913.852**

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

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

			Current Period 31 December 2024			Prior Period 31 December 2023		
	LIABILITIES AND EQUITY	**Section 5 Note II**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
I.	**DEPOSITS**	**(1)**	**-**	**-**	**-**	**-**	**-**	**-**
II.	**FUNDS BORROWED**	**(3)**	**20.916**	**123.981.589**	**124.002.505**	**175.418**	**106.675.692**	**106.851.110**
III.	**MONEY MARKET BALANCES**		**4.814.176**	**1.319.277**	**6.133.453**	**1.502.958**	**2.224.922**	**3.727.880**
IV.	**MARKETABLE SECURITIES ISSUED (Net)**	**(3)**	**1.950.424**	**51.561.928**	**53.512.352**	**1.921.359**	**32.227.091**	**34.148.450**
4.1	Bills		-	-	-	397.337	-	397.337
4.2	Assets Backed Securities		1.950.424	-	1.950.424	1.524.022	-	1.524.022
4.3	Bonds		-	51.561.928	51.561.928	-	32.227.091	32.227.091
V.	**BORROWER FUNDS**		**30.945**	**652.954**	**683.899**	**132.820**	**1.349.660**	**1.482.480**
5.1	Borrower Funds		30.945	652.954	683.899	132.820	1.349.660	1.482.480
5.2	Other		-	-	-	-	-	-
VI.	**FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**		**-**	**-**	**-**	**-**	**-**	**-**
VII.	**DERIVATIVE FINANCIAL LIABILITIES**	**(2)**	**160.787**	**1.137.748**	**1.298.535**	**32.887**	**1.115.271**	**1.148.158**
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		160.787	1.137.748	1.298.535	32.887	1.115.271	1.148.158
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	**FACTORING LIABILITIES**		**-**	**-**	**-**	**-**	**-**	**-**
IX.	**LEASE LIABILITIES**	**(5)**	**41.552**	**-**	**41.552**	**39.250**	**-**	**39.250**
X.	**PROVISIONS**	**(7)**	**2.320.251**	**84.762**	**2.405.013**	**1.900.887**	**180.126**	**2.081.013**
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reverse for Employee Benefits		125.428	-	125.428	51.889	-	51.889
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		2.194.823	84.762	2.279.585	1.848.998	180.126	2.029.124
XI.	**CURRENT TAX LIABILITY**	**(8)**	**457.912**	**-**	**457.912**	**971.818**	**-**	**971.818**
XII.	**DEFERRED TAX LIABILITY**	**(8)**	**334.512**	**-**	**334.512**	**-**	**-**	**-**
XIII.	**LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)**		**-**	**-**	**-**	**-**	**-**	**-**
13.1	Held for Sale Purpose		-	-	-	-	-	-
13.2	Related to Discontinued Operations		-	-	-	-	-	-
XIV.	**SUBORDINATED DEBT INSTRUMENTS**	**(10)**	**-**	**10.800.864**	**10.800.864**	**-**	**6.043.090**	**6.043.090**
14.1	Loans		-	-	-	-	6.043.090	6.043.090
14.2	Other Debt Instruments		-	10.800.864	10.800.864	-	-	-
XV.	**OTHER LIABILITIES**		**820.001**	**3.885.684**	**4.705.685**	**608.848**	**1.986.703**	**2.595.551**
XVI.	**SHAREHOLDERS' EQUITY**		**32.955.567**	**197.133**	**33.152.700**	**21.770.699**	**54.353**	**21.825.052**
16.1	Paid-in capital	**(11)**	2.800.000	-	2.800.000	2.800.000	-	2.800.000
16.2	Capital Reserves		15.631	-	15.631	15.665	-	15.665
16.2.1	Share Premium		1.007	-	1.007	1.007	-	1.007
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		14.624	-	14.624	14.658	-	14.658
16.3	Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		4.159.403	230.008	4.389.411	3.564.791	183.946	3.748.737
16.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		381.975	(32.875)	349.100	387.135	(129.593)	257.542
16.5	Profit Reserves		14.793.249	-	14.793.249	7.745.308	-	7.745.308
16.5.1	Legal Reserves		664.389	-	664.389	644.594	-	644.594
16.5.2	Status Reserves		75.641	-	75.641	75.641	-	75.641
16.5.3	Extraordinary Reserves		14.050.300	-	14.050.300	7.022.154	-	7.022.154
16.5.4	Other Profit Reserves		2.919	-	2.919	2.919	-	2.919
16.6	Profit Or Loss		10.228.073	-	10.228.073	6.854.098	-	6.854.098
16.6.1	Prior Years' Profit/Loss		6.091	-	6.091	(110.946)	-	(110.946)
16.6.2	Current Year Profit/Loss		10.221.982	-	10.221.982	6.965.044	-	6.965.044
16.7	Non-Controlling Interests		577.236	-	577.236	403.702	-	403.702
	TOTAL LIABILITIES AND EQUITY		**43.907.043**	**193.621.939**	**237.528.982**	**29.056.944**	**151.856.908**	**180.913.852**

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

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

		Section 5 Note III	Current Period 31 December 2024			Prior Period 31 December 2023		
			TL	FC	Total	TL	FC	Total
A.	**OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)**		**32.059.900**	**195.193.970**	**227.253.870**	**22.139.270**	**140.351.536**	**162.490.806**
I.	**GUARANTEES AND COLLATERALS**	**(1)**	**3.350.421**	**18.244.917**	**21.595.338**	**2.508.575**	**9.714.268**	**12.222.843**
1.1	Letters of Guarantee		2.818.370	5.808.518	8.626.888	2.378.872	5.722.479	8.101.351
1.1.1	Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		2.818.370	5.808.518	8.626.888	2.378.872	5.722.479	8.101.351
1.2	Bank Acceptances		-	131.339	131.339	-	-	-
1.2.1	Import Letter of Acceptance		-	131.339	131.339	-	-	-
1.2.2	Other Bank Acceptance		-	-	-	-	-	-
1.3	Letters of Credit		532.051	12.305.060	12.837.111	129.703	3.991.789	4.121.492
1.3.1	Documantery Letters of Credit		532.051	12.305.060	12.837.111	129.703	3.991.789	4.121.492
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantess		-	-	-	-	-	-
1.9	Other Collaterals		-	-	-	-	-	-
II.	**COMMITMENTS**	**(1)**	**11.372.107**	**8.648.292**	**20.020.399**	**5.919.274**	**6.563.880**	**12.483.154**
2.1	Irrevocable Commitments		9.784.751	640.755	10.425.506	5.412.991	428.175	5.841.166
2.1.1	Forward Asset Purchase and Sale Commitments		389.727	458.574	848.301	118.180	223.859	342.039
2.1.2	Forward Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	142.284	142.284	-	168.814	168.814
2.1.4	Loan Granting Commitments		-	-	-	-	-	-
2.1.5	Securities Underwriting Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Payment Commitment for Checks		-	-	-	-	-	-
2.1.8	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9	Commitments for Credit Card Expenditure Limits		-	-	-	-	-	-
2.1,10	Commitments for Promotions Related with Credit Cards and Banking Activities		-	-	-	-	-	-
2.1,11	Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1,12	Payables for Short Sale Commitments		-	-	-	-	-	-
2.1,13	Other Irrevocable Commitments		9.395.024	39.897	9.434.921	5.294.811	35.502	5.330.313
2.2	Revocable Commitments		1.587.356	8.007.537	9.594.893	506.283	6.135.705	6.641.988
2.2.1	Revocable Loan Granting Commitments		1.587.356	8.007.537	9.594.893	506.283	6.135.705	6.641.988
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	**(2)**	**17.337.372**	**168.300.761**	**185.638.133**	**13.711.421**	**124.073.388**	**137.784.809**
3.1	Derivative Financial Instruments for Hedging Purposes		-	69.298.701	69.298.701	-	38.788.055	38.788.055
3.1.1	Fair Value Hedge		-	69.298.701	69.298.701	-	38.788.055	38.788.055
3.1.2	Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-

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

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET
AS OF 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

		Section 5 Note III	Current Period 31 December 2024			Prior Period 31 December 2023		
			TL	FC	Total	TL	FC	Total
3.2	Held for Trading Transactions		17.337.372	99.002.060	116.339.432	13.711.421	85.285.333	98.996.754
3.2.1	Forward Foreign Currency Buy/Sell Transactions		386.659	524.487	911.146	506.702	601.942	1.108.644
3.2.1.1	Forward Foreign Currency Transactions-Buy		268.295	183.357	451.652	506.702	64.395	571.097
3.2.1.2	Forward Foreign Currency Transactions-Sell		118.364	341.130	459.494	-	537.547	537.547
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rate		16.906.413	98.261.432	115.167.845	13.204.719	84.683.391	97.888.110
3.2.2.1	Foreign Currency Swap-Buy		853.917	28.963.582	29.817.499	4.944	19.862.066	19.867.010
3.2.2.2	Foreign Currency Swap-Sell		11.767.384	17.124.992	28.892.376	13.148.219	6.935.939	20.084.158
3.2.2.3	Interest Rate Swap-Buy		2.142.556	26.086.429	28.228.985	25.778	28.942.693	28.968.471
3.2.2.4	Interest Rate Swap-Sell		2.142.556	26.086.429	28.228.985	25.778	28.942.693	28.968.471
3.2.3	Foreign Currency, Interest Rate, and Securities Options		44.300	216.141	260.441	-	-	-
3.2.3.1	Foreign Currency Options-Buy		22.150	108.083	130.233	-	-	-
3.2.3.2	Foreign Currency Options-Sell		22.150	108.058	130.208	-	-	-
3.2.3.3	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
B.	**CUSTODY AND PLEDGES SECURITIES (IV+V+VI)**		**452.026.447**	**2.800.994.225**	**3.253.020.672**	**370.262.312**	**2.352.142.524**	**2.722.404.836**
IV.	**ITEMS HELD IN CUSTODY**		**7.314.087**	**2.766.786**	**10.080.873**	**3.731.818**	**3.967.284**	**7.699.102**
4.1	Customers' Securities Held		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		6.629.838	2.766.786	9.396.624	3.669.388	3.967.284	7.636.672
4.3	Checks Received for Collection		-	-	-	-	-	-
4.4	Commercial Notes Received for Collection		-	-	-	-	-	-
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		-	-	-	-	-	-
4.8	Custodians		684.249	-	684.249	62.430	-	62.430
V.	**PLEDGES ITEMS**		**429.592.082**	**2.269.144.441**	**2.698.736.523**	**352.794.305**	**1.922.577.278**	**2.275.371.583**
5.1	Marketable Securities		456.249	-	456.249	456.249	-	456.249
5.2	Guarantee Notes		195.268	2.372.071	2.567.339	176.420	3.109.710	3.286.130
5.3	Commodity		-	-	-	-	-	-
5.4	Warranty		-	-	-	-	-	-
5.5	Real Estate		118.446.897	631.496.822	749.943.719	104.370.588	619.660.191	724.030.779
5.6	Other Pledged Items		310.493.668	1.635.275.548	1.945.769.216	247.791.048	1.299.807.377	1.547.598.425
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	**ACCEPTED BILL OF EXCHANGE AND COLLATERALS**		**15.120.278**	**529.082.998**	**544.203.276**	**13.736.189**	**425.597.962**	**439.334.151**
	TOTAL OFF BALANCE SHEET ITEMS (A+B)		**484.086.347**	**2.996.188.195**	**3.480.274.542**	**392.401.582**	**2.492.494.060**	**2.884.895.642**

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

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

	STATEMENT OF PROFIT OR LOSS	Note	Current Period January 1, 2024 - December 31, 2024	Prior Period January 1, 2023 - December 31, 2023
I.	**INTEREST INCOME**	**(1)**	**30.331.870**	**18.772.862**
1.1	Interest on Loans		18.262.818	11.878.615
1.2	Interest Received from Reserve Deposits		752	82
1.3	Interest Received from Banks		228.913	166.348
1.4	Interest Received from Money Market Placements		3.095.060	1.645.886
1.5	Interest Received from Marketable Securities Portfolio		8.418.653	4.991.850
1.5.1	Fair Value Through Profit or Loss		12.868	1.931
1.5.2	Fair Value Through other Comprehensive Income		3.332.865	992.559
1.5.3	Measured at Amortized Cost		5.072.920	3.997.360
1.6	Finance Lease Income		45.584	32.455
1.7	Other Interest Income		280.090	57.626
II.	**INTEREST EXPENSES (-)**	**(2)**	**14.476.771**	**8.064.017**
2.1	Interest on Deposits		-	-
2.2	Interest on Funds Borrowed		7.996.312	5.930.407
2.3	Interest on Money Market Borrowings		2.573.237	396.744
2.4	Interest on Securities Issued		3.792.107	1.656.777
2.5	Leasing Interest Expense		10.028	6.063
2.6	Other Interest Expense		105.087	74.026
III.	**NET INTEREST INCOME (I - II)**		**15.855.099**	**10.708.845**
IV.	**NET FEES AND COMMISSIONS INCOME/EXPENSES**		**819.727**	**686.569**
4.1	Fees and Commissions Received		945.844	756.646
4.1.1	Non-cash Loans		204.190	179.070
4.1.2	Other		741.654	577.576
4.2	Fees and Commissions Paid (-)		126.117	70.077
4.2.1	Non-cash Loans		44.230	23.764
4.2.2	Other		81.887	46.313
V.	**DIVIDEND INCOME**	**(3)**	**37.069**	**31.949**
VI.	**NET TRADING INCOME**	**(4)**	**(2.076.745)**	**1.731.490**
6.1	Securities Trading Gains/(Losses)		111.243	39.651
6.2	Derivative Financial Instruments Gains/Losses		(1.425.632)	1.894.932
6.3	Foreign Exchange Gains/Losses (Net)		(762.356)	(203.093)
VII.	**OTHER OPERATING INCOME**	**(5)**	**2.403.975**	**1.081.664**
VIII.	**GROSS OPERATING INCOME (III+IV+V+VI+VII)**		**17.039.125**	**14.240.517**
IX.	**EXPECTED CREDIT LOSSES (-)**	**(6)**	**558.872**	**3.219.196**
X.	**OTHER PROVISION EXPENSES (-)**	**(6)**	**330.000**	**870.000**
XI.	**PERSONNEL EXPENSES (-)**		**1.921.475**	**914.621**
XII.	**OTHER OPERATING EXPENSES (-)**	**(7)**	**1.372.912**	**744.030**
XIII.	**NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)**		**12.855.866**	**8.492.670**
XIV.	**AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER**		**-**	**-**
XV.	**PROFIT/(LOSS) ON EQUITY METHOD**		**1.043.304**	**996.857**
XVI.	**GAIN/(LOSS) ON NET MONETARY POSITION**		**-**	**-**
XVII.	**PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)**		**13.899.170**	**9.489.527**
XVIII.	**TAX PROVISION FOR CONTINUED OPERATIONS (±)**	**(8)**	**3.542.415**	**2.339.601**
18.1	Provision for Current Income Taxes		2.487.822	3.045.111
18.2	Deferred Tax Income Effect (+)		2.130.956	958.614
18.3	Deferred Tax Expense Effect (-)		1.076.363	1.664.124
XIX.	**NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVI±XVII)**	**(10)**	**10.356.755**	**7.149.926**
XX.	**INCOME ON DISCONTINUED OPERATIONS**		**-**	**-**
20.1	Income on Assets Held for Sale		-	-
20.2	Income on Sale of Associates, Subsidiaries and JointlyControlled Entities (Joint Venture)		-	-
20.3	Income on Other Discontinued Operations		**-**	**-**
XXI.	**LOSS FROM DISCONTINUED OPERATIONS (-)**		**-**	**-**
21.1	Loss from Assets Held for Sale		-	-
21.2	Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Venture)		-	-
21.3	Loss from Other Discontinued Operations		-	-
XXII.	**PROFIT/(LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XX-XXI)**		**-**	**-**
XXIII.	**TAX PROVISION FOR DISCONTINUED OPERATIONS (±)**		**-**	**-**
23.1	Provision for Current Income Taxes		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	**NET PROFIT/LOSS FROM DISCONTINUEDOPERATIONS (XXII±XXIII)**		**-**	**-**
XXV.	**NET PROFIT/LOSS (XIX+XXIV)**	**(11)**	**10.356.755**	**7.149.926**
25.1	Group's Profit/Loss		10.221.982	6.965.044
25.2	Minority Shares (-)		134.773	184.882
	Earning/(loss) per share		3.651	2.488

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

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

	PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Current Period January 1, 2024 - December 31, 2024	Prior Period January 1, 2023 - December 31, 2023
I.	**CURRENT PERIOD INCOME/LOSS**	**10.356.755**	**7.149.926**
II.	**OTHER COMPREHENSIVE INCOME**	**971.778**	**1.682.333**
2.1	**Not Reclassified Through Profit or Loss**	**880.220**	**2.435.242**
2.1.1	Property and Equipment Revaluation Increase/Decrease	845.499	956.784
2.1.2	Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain/Loss	(49.480)	3.035
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	521.564	1.501.300
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(437.363)	(25.877)
2.2	**Reclassified Through Profit or Loss**	**91.558**	**(752.909)**
2.2.1	Foreign Currency Translation Differences	72.673	212.135
2.2.2	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value Through Other Comprehensive Income	29.565	(646.352)
2.2.3	Cash Flow Hedge Income/Loss	-	-
2.2.4	Income (Loss) Related with Hedges of Net Investments in Foreign Operations	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	(395.533)
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(10.680)	76.841
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**	**11.328.533**	**8.832.259**

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

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

							Accumulated Other Comprehensive Income or Expenses Not Reclassified Through Profit or Loss			Accumulated Other Comprehensive Income or Expenses Reclassified Through Profit or Loss								
	CHANGES IN SHAREHOLDERS' EQUITY	**Note**	**Paid-in Capital**	**Share Premiums**	**Share Cancellation Profits**	**Other Capital Reserves**	**1**	**2**	**3**	**4**	**5**	**6**	**Profit Reserves**	**Prior Period Profit or (Loss)**	**Current Period Profit or (Loss)**	**Total Equity Except from Minority Interest**	**Minority Interest**	**Total Shareholders' Equity**
	Prior Period - December 31, 2023																	
I.	**Prior Period End Balance**		**2.800.000**	**1.007**	**-**	**374**	**1.140.841**	**(963)**	**173.617**	**173.399**	**441.519**	**395.533**	**3.702.923**	**3.945.723**	**-**	**12.773.973**	**218.483**	**12.992.456**
II.	**Corrections and Accounting Policy Changes Made According to TAS 8**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1	Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted Beginning Balance (I+II)**		**2.800.000**	**1.007**	**-**	**374**	**1.140.841**	**(963)**	**173.617**	**173.399**	**441.519**	**395.533**	**3.702.923**	**3.945.723**	**-**	**12.773.973**	**218.483**	**12.992.456**
IV.	**Total Comprehensive Income**		**-**	**-**	**-**	**-**	**930.636**	**2.233**	**1.502.373**	**212.135**	**(569.511)**	**(395.533)**	**-**	**-**	**6.965.044**	**8.647.377**	**184.882**	**8.832.259**
V.	**Capital Increase by Cash**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VI.	**Capital Increase by Internal Sources**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VII.	**Effect of Inflation on Paid-in Capital**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VIII.	**Convertible Bonds to Share**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IX.	**Subordinated Debt Instruments**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
X.	**Increase/Decrease by Other Changes**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**337**	**337**
XI.	**Profit Distribution**		**-**	**-**	**-**	**14.284**	**-**	**-**	**-**	**-**	**-**	**-**	**4.042.385**	**(4.056.669)**	**-**	**-**	**-**	**-**
11.1	Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	3.897.097	(3.897.097)	-	-	-	-
11.3	Other		-	-	-	14.284	-	-	-	-	-	-	145.288	(159.572)	-	-	-	-
	Period-End Balance (III+IV+…...+X+XI)		**2.800.000**	**1.007**	**-**	**14.658**	**2.071.477**	**1.270**	**1.675.990**	**385.534**	**(127.992)**	**-**	**7.745.308**	**(110.946)**	**6.965.044**	**21.421.350**	**403.702**	**21.825.052**

1. Accumulated Revaluation Increase/Decrease of Fixed Assets,

2. Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan

3. Other (Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)

4. Foreign Currency Translation Differences

5. Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Asset at Fair Value Through Other Comprehensive Income

6. Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

							Accumulated Other Comprehensive Income or Expenses Not Reclassified Through Profit or Loss			Accumulated Other Comprehensive Income or Expenses Reclassified Through Profit or Loss								
	CHANGES IN SHAREHOLDERS' EQUITY	**Note**	**Paid-in Capital**	**Share Premiums**	**Share Cancellation Profits**	**Other Capital Reserves**	**1**	**2**	**3**	**4**	**5**	**6**	**Profit Reserves**	**Prior Period Profit or (Loss)**	**Current Period Profit or (Loss)**	**Total Equity Except from Minority Interest**	**Minority Interest**	**Total Shareholders' Equity**
	Current Period - December 31, 2024																	
I.	**Prior Period End Balance**		**2.800.000**	**1.007**	**-**	**14.658**	**2.071.477**	**1.270**	**1.675.990**	**385.534**	**(127.992)**	**-**	**7.745.308**	**6.854.098**	**-**	**21.421.350**	**403.702**	**21.825.052**
	Corrections and Accounting Policy Changes Made According to TAS 8		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1	Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted Beginning Balance (I+II)**		**2.800.000**	**1.007**	**-**	**14.658**	**2.071.477**	**1.270**	**1.675.990**	**385.534**	**(127.992)**	**-**	**7.745.308**	**6.854.098**	**-**	**21.421.350**	**403.702**	**21.825.052**
IV.	**Total Comprehensive Income**		**-**	**-**	**-**	**-**	**153.562**	**(34.421)**	**521.533**	**72.673**	**18.885**	**-**	**-**	**199.941**	**10.221.982**	**11.154.155**	**174.378**	**11.328.533**
V.	**Capital Increase by Cash**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VI.	**Capital Increase by Internal Sources**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VII.	**Effect of Inflation on Paid-in Capital**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VIII.	**Convertible Bonds to Share**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IX.	**Subordinated Debt Instruments**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
X.	**Increase/Decrease by Other Changes**		**-**	**-**	**-**	**(34)**	**-**	**-**	**-**	**-**	**-**	**-**	**(7)**	**-**	**-**	**(41)**	**-**	**(41)**
XI.	**Profit Distribution**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7.047.948**	**(7.047.948)**	**-**	**-**	**(844)**	**(844)**
11.1	Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(844)	(844)
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	6.050.948	(6.050.948)	-	-	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	997.000	(997.000)	-	-	-	-
	Period-End Balance		**2.800.000**	**1.007**	**-**	**14.624**	**2.225.039**	**(33.151)**	**2.197.523**	**458.207**	**(109.107)**	**-**	**14.793.249**	**6.091**	**10.221.982**	**32.575.464**	**577.236**	**33.152.700**

1. Accumulated Revaluation Increase/Decrease of Fixed Assets
2. Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan
3. Other (Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)
4. Foreign Currency Translation Differences
5. Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Asset at Fair Value Through Other Comprehensive Income
6. Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)

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

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

		Note	Current Period 31 December 2024	Prior Period 31 December 2023
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating Profit Before Changes in Operating Assets and Liabilities**		**11.851.033**	**6.400.909**
1.1.1	Interest Received		29.752.963	14.430.454
1.1.2	Interest Paid		(13.708.705)	(6.918.889)
1.1.3	Dividends Received		52.069	31.949
1.1.4	Fees and Commissions Received		945.844	756.646
1.1.5	Other Income		838.690	254.003
1.1.6	Collections from Previously Written off Loans		349.376	286.856
1.1.7	Payments to Personnel and Service Suppliers		(2.238.841)	(1.086.652)
1.1.8	Taxes Paid		(2.465.969)	(2.230.021)
1.1.9	Others		(1.674.394)	876.563
1.2	**Changes in Operating Assets and Liabilities**		**(21.275.107)**	**(7.996.481)**
1.2.1	Net (Increase) (Decrease) in Financial Assets at Fair Value through Profit or Loss		(1.125.278)	42.469
1.2.2	Net (Increase) (Decrease) in Due from Banks		-	-
1.2.3	Net (Increase) (Decrease) in Loans		(20.064.340)	(3.435.217)
1.2.4	Net (Increase) (Decrease) in Other Assets		(2.830.160)	(1.018.740)
1.2.5	Net (Increase) (Decrease) in Bank Deposits		-	-
1.2.6	Net (Increase) (Decrease) in Other Deposits		-	-
1.2.7	Net (Increase) (Decrease) in Financial Liabilities at Fair Value through Profit or Loss		-	-
1.2.8	Net (Increase) (Decrease) in Funds Borrowed		(411.520)	(5.028.209)
1.2.9	Net (Increase) (Decrease) in Matured Payable		-	-
1.2,10	Net (Increase) (Decrease) in Other Liabilities		3.156.191	1.443.216
I.	**Net Cash Provided by/(used in) Banking Operations**		**(9.424.074)**	**(1.595.572)**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net Cash Provided by/(used in) Investing Activities**		**(9.217.578)**	**3.662.492**
2.1	Cash Paid for Purchase of Entities under Common Control, Associates and Subsidiaries		-	-
2.2	Cash Obtained from Sale of Entities under Common Control, Associates and Subsidiaries		-	-
2.3	Purchases of Property and Equipment		(97.454)	(55.399)
2.4	Disposals of Property and Equipment		698	1.714
2.5	Purchase of Financial Assets at Fair Value through Other Comprehensive Income		(8.471.914)	(2.133.580)
2.6	Sale of Financial Assets at Fair Value through Other Comprehensive Income		1.843.538	5.998.935
2.7	Purchase of Financial Assets Measured at Amortized Cost		(3.194.001)	(475.734)
2.8	Sale of Financial Assets Measured at Amortized Cost		704.972	334.204
2.9	Others		(3.417)	(7.648)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net Cash Provided by/(used in) Financing Activities**		**15.350.447**	**1.846.178**
3.1	Cash Obtained From Funds Borrowed and Securities Issued		27.297.517	9.505.148
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(11.881.103)	(7.610.532)
3.3	Capital Increase		-	-
3.4	Dividends Paid		(844)	-
3.5	Payments for Financial Leases		(65.123)	(48.438)
3.6	Other		-	-
IV.	**Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents**		**386.165**	**903.643**
V.	**Net Increase in Cash and Cash Equivalents**		**(2.905.040)**	**4.816.741**
VI.	**Cash and Cash Equivalents at Beginning of the Period**		**12.458.035**	**7.641.294**
VII.	**Cash and Cash Equivalents at End of the Period**		**9.552.995**	**12.458.035**

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

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

		Current Period 31 December 2024[1]	Prior Period 31 December 2023[4]
I.	**DISTRIBUTION OF CURRENT YEAR INCOME**		
1.1	CURRENT YEAR INCOME	13.678.968	9.292.223
1.2	TAXES AND DUTIES PAYABLE	3.544.369	2.250.746
1.2.1	Corporate Tax (Income tax)	2.371.538	2.938.543
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties [3]	1.172.831	(687.797)
A.	**NET INCOME FOR THE YEAR (1.1-1.2)**	**10.134.599**	**7.041.477**
1.3	PRIOR YEARS LOSSES (-)	-	-
1.4	LEGAL RESERVES (-)	-	13.500
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	**NET PROFIT AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]**	**10.134.599**	**7.027.977**
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1	To owners of ordinary shares	-	-
1.6.2	To owners of preferred shares	-	-
1.6.3	To owners of preferred shares (pre-emptive rights)	-	-
1.6.4	To profit sharing bonds	-	-
1.6.5	To holders of profit and loss sharing certificates	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1	To owners of ordinary shares	-	-
1.9.2	To owners of preferred shares	-	-
1.9.3	To owners of preferred shares (pre-emptive rights)	-	-
1.9.4	To profit sharing bonds	-	-
1.9.5	To holders of profit and loss sharing certificates	-	-
1,10	STATUTORY RESERVES (-)	-	-
1,11	GENERAL RESERVES	-	-
1,12	OTHER RESERVES	-	6.030.976
1,13	SPECIAL FUNDS	-	-
1,14		-	997.000
II.	**DISTRIBUTION OF RESERVES**	**-**	**-**
	APPROPRIATED RESERVES		
2.1	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.2	To owners of ordinary shares	-	-
2.2.1	To owners of preferred shares	-	-
2.2.2	To owners of preferred shares (pre-emptive rights)	-	-
2.2.3	To profit sharing bonds	-	-
2.2.4	To holders of profit and loss sharing certificates	-	-
2.2.5	DIVIDENDS TO PERSONNEL (-)	-	-
2.3	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
2.4		-	-
III.	**EARNINGS PER SHARE [2]**		
	TO OWNERS OF ORDINARY SHARES		
3.1	TO OWNERS OF ORDINARY SHARES (%)	3.62	2.51
3.2	TO OWNERS OF PRIVILEGED SHARES	361.95	251.00
3.3	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
3.4		-	-
IV.	**DIVIDEND PER SHARE**		
	TO OWNERS OF ORDINARY SHARES		
4.1	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.2	TO OWNERS OF PRIVILAGED SHARES	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
4.4	**DISTRIBUTION OF CURRENT YEAR INCOME**	-	-

[1] Since the dividend distribution proposal for 2024 to be submitted to the approval of the General Assembly has not yet been prepared by the Board of Directors, only the distributable profit amount is specified in the dividend distribution table for 2024.
[2] In the Income Statement and Profit Distribution Statement, one share is nominal for 1 penny and profit per share is calculated for 1 penny nominal share.
[3] Amounts for the current period is deferred tax expense and the previous period is deferred tax income.
[4] The dividend distribution statement for the previous period was finalized by the Ordinary General Assembly resolution dated March 28, 2024, after the date of publication of the independently audited financial statements dated December 31, 2023, and was revised accordingly.

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

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

I.a Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Application and Maintaining the Documents

The consolidated financial statements have been prepared in TL, under the historical cost convention except for the financial asset, liabilities and land and buildings revaluation model which are carried at fair value.

The consolidated financial statements and related explanations and footnotes included in this report have been prepared in accordance with the Regulation on the Procedures and Principles Regarding Banks' Accounting Applications and Document Retention and other regulations, communiqués, explanations and circulars published by the Banking Regulation and Supervision Agency (BRSA) regarding the accounting and financial reporting principles of banks and the provisions of the Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority (POA) for matters not regulated by these (hereinafter collectively referred to as the "BRSA Accounting and Financial Reporting Legislation"). However, the TAS 29 "Financial Reporting in Hyperinflationary Economies" standard included in the TFRS is not applied to banks and financial leasing, factoring, financing, savings, financing and asset management companies as explained below.

The accounting policies and valuation principles used in the 2024 period of Group are presented in the accompanying notes and the accounting policies and valuation principles are explained in Notes II to XXIII below.

The format and content of the accompanying consolidated financial statements and footnotes have been prepared in accordance with the "Communique' on Publicly Announced Financial Statements Explanations and notes to the Financial Statements" and "Communique on Disclosures About Risk Management to be Announced to Public by Banks."

Entities whose functional currency is the currency of a hyperinflationary economy present their financial statements in terms of the measuring unit current at the end of the reporting period according to "TAS 29 Financial Reporting in Hyperinflation Economies". Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities applying Turkish Financial Reporting Standards (TFRSs) are required to present their financial statements by adjusting for the impact of inflation for the annual reporting period ending on or after 31 December 2023, in accordance with the accounting principles specified in TAS 29. In the same announcement, it was stated that institutions or organizations authorized to regulate and supervise in their respective scope might determine different transition dates for the implementation of inflation accounting, and in this context, Banking Regulation and Supervision Agency (BRSA) announced that financial statements of banks, financial leasing, factoring, financing, savings financing and asset management companies would not be subject to the inflation adjustment in accordance with BRSA Board decision on 12 December 2023. Within the scope of BRSA's decision numbered 10825 dated January 11, 2024; it was decided that banks and financial leasing, factoring, financing, savings financing and asset management companies would switch to inflation accounting as of January 1, 2025, and TAS 29 was not applied and no inflation adjustment was made in the financial statements dated December 31, 2024. However, in accordance with BRSA's decision numbered 11021 dated December 5, 2024, it was decided that banks and financial leasing, factoring, financing, savings financing and asset management companies would not apply inflation accounting in 2025 either.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

I. Basis of presentation (continued)

I.b The valuation principles used in the preparation of the financial statements

The accounting rules and the valuation principles used in the preparation of the financial statements were implemented as stated in the Turkish Accounting Standards and related regulations, explanations and circulars on accounting and financial reporting principles announced by the BRSA. These accounting policies and valuation principles are explained in the below notes through II to XXIII.

Since the year-end financial statements prepared as of December 31, 2024 are intended to update the financial information contained in the most recent annual financial statements, the Parent Bank has made certain estimates in the calculation of expected loan losses and disclosed them in footnote IX "Disclosures on impairment of financial assets". In the following periods, the Parent Bank will update its relevant assumptions to the extent necessary and review the realization of its retrospective forecasts.

I.c The accounting policies for the correct understanding of the financial statements

The following accounting policies that applied according to BRSA regulations and TAS for the correct understanding of the financial statements and valuation principles used in preparation of the financial statements are presented in more detail below.

Changes in accounting policies and disclosures

The IAS/IFRS amendments, which entered into force effective January 1, 2024, do not have a significant impact on the Parent Bank's accounting policies, financial position and performance. Amendments to the IAS and IFRS, which have been published but have not entered into force as of the date of finalization of the financial statements, will not have a material impact on the Parent Bank's accounting policies, financial position and performance.

I.d The items for which different accounting policies were applied while preparing the consolidated financial statements and their ratios to the total of the related items in the consolidated financial statements

Different accounting policies are not applied while preparing the consolidated financial statements.

Additional paragraph for convenience translation into English:

BRSA Accounting and Financial Reporting Legislation, as described in the preceding paragraphs, differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 -Financial Reporting in Hyperinflationary Economies as of December 31, 2024 and the differences between accounting principles have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

II. Explanations on usage strategy of financial assets and foreign currency transactions

The main sources of the funds of the Group have variable interest rates. The financial balances are monitored frequently and fixed and floating interest rate placements are undertaken according to the return on the alternative financial instruments. The macro goals related to balance sheet amounts are set during budgeting process and positions are taken accordingly.

Due to the fact that the great majority of the loans extended by the Group have a flexibility of reflecting changes in the market interest rates to the customers, the interest rate risk is kept at minimum level. Moreover, the highly profitable Eurobond and the foreign currency government indebtness securities portfolio have the attribute of eliminating the risks of interest rate volatility.

Interest rate risk is reduced by creating an asset composition of the resources used in accordance with the fixed/variable cost structure.

The fixed rate Subordinated bond, Eurobond and Greenbond issued by the Group and a portion of fixed rate funds borrowed are subject to fair value hedge accounting. The Bank enters into interest rate swap agreements in order to hedge the change in fair values of its fixed rate financial liabilities. The changes in the fair value of the hedged fixed rate financial liabilities and hedging interest rate swaps are recognized under the trading profit/loss.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

II. Explanations on usage strategy of financial assets and foreign currency transactions (continued)

In the beginning and later period of the hedging transaction, the aforementioned hedging transactions are expected to offset changes occurred in the relevant period of the hedging transaction and hedged risk (attributable to hedging risk) and effectiveness tests are performed in this regard. The Group performs effectiveness test at the beginning of the hedge accounting and at each reporting period. The effectiveness tests are carried out using the "Dollar off-set model" and the hedge accounting is applied as long as the test results are between the range of 80%-125% of effectiveness.

The hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective. When discontinuing fair value hedge accounting, the cumulative fair value changes in carrying value of the hedged item arising from the hedged risk are amortized and recognized in income statement over the life of the hedged item from that date of the hedge accounting is discontinued.

The Bank liquidity is regularly monitored. Moreover, the need of liquidity in foreign currencies is safeguarded by currency swaps.

Commercial placements are managed with high return and low risk assets considering the international and domestic economic expectations, market conditions, creditors' expectations and their tendencies, interest-liquidity and other similar factors. Prudence principle is adopted in the placement decisions. The long term placements are made under project finance. A credit policy is implemented such a way that harmonizing the profitability of the projects, the collateral and the value add introduced by the Bank.

The movements of foreign exchange rates in the market, interest rates and prices are monitored instantaneously. While taking positions, the Bank's unique operating and control limits are watched effectively besides statutory limits. Limit overs are not allowed.

For hedge against exchange rate risk arising from foreign currency transactions, A balanced strategy is followed in terms of currency position; In order to hedge against parity risk, the current currency position is monitored according to a basket balance in certain currencies.

Exchange rate difference revenues and expenses arising from foreign currency transactions were recorded in the period in which the transaction was carried out. At the end of the period, the balances of foreign currency active and passive accounts are calculated at the end of the period.

The Parent Bank is exposed to financial risk which depends on changes in foreign exchange rates and interest rates due to activities and as part of banking activities uses derivative instruments to manage financial risk that especially associated with fluctuations in foreign exchange and interest rate. Mainly derivative instruments used by the Parent Bank are foreign currency forwards, swaps and option agreements.

The derivative financial instruments are accounted for at their fair values as of the date of the agreements entered into and continue to be monitored at their fair value in subsequent reporting periods. Derivative financial instruments of the Parent Bank are classified under "TFRS 9 Financial Instruments" ("TFRS 9"), "Derivative Financial Assets Designated at Fair Value Through Profit or Loss" or "Derivative Financial Assets Designated at Fair Value Through Other Comprehensive Income".

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

III. Explanations on associates and subsidiaries

Explanations about the Parent Bank and its subsidiaries and associates subject to consolidation are described in General Information Section V.

IV. Explanations on forward and option contracts and derivative instruments

Payables and receivables arising from the derivative instruments are recorded in the off-balance sheet accounts at their contractual values. Derivative transactions are valued at their fair values subsequent to their acquisition. In accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss" or "Derivative Financial Assets Designated at Fair Value Through Other Comprehensive Income", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities Designated at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities Designated at Fair Value Through Other Comprehensive Income". The fair value differences of derivative financial instruments are recognized in the income statement under trading profit/loss line in profit/loss from derivative financial transaction.

TFRS 9 provides the option of deferring the adoption of TFRS 9 hedge accounting and the option to continue to apply the provisions of TAS 39 hedge accounting in the selection of accounting policies. In this context, the Parent Bank continues to apply the provisions of TAS 39 hedge accounting. In the initial design of a derivative financial instrument as a hedge, the Parent Bank discloses in writing the relationship between the hedged item and the hedging instrument, the risk management objectives and strategies of the relevant hedge, and the methods to be used to measure the hedge's effectiveness. At the beginning of the association and during the ongoing process, the Parent Bank evaluates whether the hedging method is effective on the changes in the expected fair values of the related instruments during the period in which the method is applied, or whether the effectiveness of each hedge in the actual results is in the range of 80% - 125%.

V. Explanations on associates and subsidiaries:

The Parent Bank's financial subsidiaries' are reflected the consolidated financial statements according to the equity method in accordance with TAS 28 - Investment in Associates and Joint Ventures Related to the Turkish Accounting Standards. Unconsolidated and non financial subsidiaries and associates are presented in the financial statements in accordance with the "TAS 27-Separate Financial Statements" standard with accounted for using the equity method in the consolidated financial statements.

VI. Explanations on interest income and expenses

Interest income is recorded according to the effective interest rate method (rate equal to net present value of future cash flows or financial assets and liabilities) defined in the TFRS 9 "Financial Instruments" standard by applying an accrual basis using the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets.

If the financial asset is impaired and classified as a non-performing receivable, the Bank applies the effective interest rate on the amortized cost of the asset for subsequent reporting periods. Such interest income calculation is made on an individual contract basis for all financial assets subject to impairment calculation. It is used effective interest rate during calculation of loss given default rate in expected creditloss models and accordingly, the calculation of expected credit losses includes an interest amount.

Interest income and expenses are recorded at their fair values and are accounted for on an accrual basis using the effective interest method (the rate that equates the future cash flows of the financial asset or liability to its current net book value) considering the current principal amount.

VII. Explanations on fees and commission income and expenses

Except for fees and commissions that are integral part of the effective interest rates of financial instruments measured at amortized costs, the fees and commissions are accounted for in accordance with TFRS 15 Revenue from Contracts with Customers. Except for certain fees related with certain banking transactions and recognized when the related service is given, fees and commissions received or paid, and other fees and commissions paid to financial institutions are accounted under accrual basis of accounting throughout the service period. Income from asset purchases to a third party or by natural or legal persons contracts are recognized in the period they occur.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on financial assets

Initial recognition of financial instruments

Initial recognition of financial instruments the Bank shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets shall be recognized and derecognized, as applicable, using trade date accounting or settlement date accounting. Purchase and sale transactions of securities are accounted at the settlement date.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on the contractual conditions and the relevant business model. Except for the assets in the scope of TFRS 15 Revenue from contracts with customers, at initial recognition, the Bank measures financial asset or financial liabilities at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit/loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification of financial instruments

On which category a financial instrument shall be classified at initial recognition depends on both the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Assessment of business model

As per TFRS 9, the Parent Bank's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The business model does not depend on the intent of the management on an individual financial intermediary, so the condition is not a classification approach on the basis of a financial instrument but an evaluation by combining the financial assets. When the business model used for the management of financial assets is being evaluated, all evidence is taken into account. Such evidence includes the following:

- How the performance of financial assets held by the business model and business model is reported by the key executive personnel,
- Risks affecting the performance of the business model (financial assets held within the business model) and, in particular type of management and
- How the additional payments to the managers are determined (for example, whether additional payments are determined according to the fair value of the assets being managed or on the contractual cash flows collected).

Business model evaluation is not based on scenarios in which the operator is not expected to be at a reasonable level, such as the "worst case" or "pressure case" scenarios. The same business model does not require a change in the classification of other financial assets as long as the cash flows are realized differently from the expected future date when the business model is assessed, the error correction is made in the financial statements or all relevant information available at the time of the valuation of the business model is taken into account. However, when evaluating the business model for newly created or newly acquired financial assets, information about how past cash flows have been taken into account along with other relevant information is also taken into account. The business models that comprise the bet are composed of three categories. These categories are as follows:

- Business model aimed to hold assets in order to collect contractual cash flows: This is a model whose objective is to hold assets in order to collect contractual cash flows are managed to realise cash flows by collecting contractual payments over the life of the instrument. The financial assets that are held within the scope of this business model are measured at amortized cost when the contractual terms of the financial asset meet the condition of giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Business model whose objective is to hold assets in order to collect contractual cash flows: The Parent Bank may hold financial assets in this business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on financial assets (continued)

Financial assets held under this business model are accounted for at fair value through other comprehensive income if the contractual terms of the financial asset pass the cash flow test, which includes only the principal and interest payments on the principal balance on certain dates.

- Other Business Models: Financial assets are measured at fair value through profit or loss in case they are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Financial assets measured at fair value through profit/loss and derivative financial assets are assesed in this business model.

The contractual cash flows including solely principle and interest on principle

As per TFRS 9, the Parent Bank classifies a financial asset on the basis of its contractual cash flow characteristics if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In a basic lending agreement, the time value of money and the consideration of credit risk are often the most important element of interest. In order to assess whether the element provides consideration for only the passage of time, an entity applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set. When the contractual conditions are exposed to the risks which are not consistent with the basic lending arrangement or variability of cash flows, the relevant financial asset is measured at fair value through profit or loss.

Measurement categories of financial assets and liabilities

Financial assets are classified compliance with TFRS 9 in three main categories as listed below:

- Financial assets measured at fair value through profit/loss
- Financial assets measured at fair value through other comprehensive income and
- Financial assets measured at amortized cost

a. Financial assets at the fair value through profit or loss:

Financial assets whose fair value difference is reflected in profit/loss, financial assets managed by other models other than the business model aimed at retaining contractual cash flows to collect and the business model aimed at collecting and selling contractual cash flows, and the contractual terms of the financial asset do not lead to cash flows that include interest payments arising only from the principal and principal balance on certain dates; are financial assets that are acquired in order to profit from fluctuations in price and similar factors that occur in the market in the short term, or that are part of a portfolio intended to make a profit in the short term, regardless of the reason for which they are obtained. Financial assets whose fair value difference is reflected in profit/loss are recorded with their fair values and are subject to valuation with their fair values following their registration. The gains and losses resulting from the valuation are included in the profit/loss calculations. In line with the Uniform Chart of Accounts (CIP) statements, the positive difference between the cost of acquisition and the discounted value of the financial asset is in “Interest Income”, if the fair value of the asset is above the discounted value, the positive difference is in the “Capital Market Operations Profits” account, and if the fair value is below the discounted value, the negative difference between the discounted value and the fair value is “Capital Market Operations Losses” account. In the event that the financial asset is disposed of before maturity, the gains or losses incurred are recognized within the same principles.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on financial assets (continued)

b. Financial Assets at Fair Value Through Other Comprehensive Income:

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates, they are classified as fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are measured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement.

"Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss" under shareholders' equity. Equity securities, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

During initial recognition an entity can choose in a irrecovable was to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss.

c. Financial Assets Measured at Amortized Cost:

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost. Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from financial assets measured at amortized cost is accounted in income statement.

In the "Fair value through other comprehensive income" and "measured at amortized cost" securities portfolio of the Parent Bank, there are Consumer Price Indexed (CPI) Bonds.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on financial assets (continued)

c. Financial Assets Measured at Amortized Cost (continued):

The Parent Bank considered expected inflation index of future cash flows prevailing at the reporting date while calculating internal rate of return of the Consumer Price Indexed (CPI) marketable securities. The effect of this application is accounted as interest received from marketable securities in the consolidated financial statements. The securities in question are valued and accounted for using the effective interest method, based on real coupon rates and reference inflation indices on the issuance date and valuation date. As stated in the Investor's Guide of CPI Government Bonds by Republic of Turkey Undersecretariat of Treasury the reference indices used to calculate the actual coupon payment amounts of these securities are based on the previous two months CPI's. The parent company Bank also takes the reference index into account in parallel with this.

d. Loans:

Loans are financial assets that have fixed or determinable payments terms and are not quoted in an active market. Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the "Effective Interest Rate (internal rate of return) Method". Duties paid, transaction costs and other similar expenses on assets received against such risks are considered as a part of transaction cost and charged to customers.

Turkish Lira ("TL") cash loans are composed of foreign currency indexed loans and working capital loans; foreign currency ("FC") cash loans are composed of investment loans, export financing loans and working capital loans.

All loans of the Parent Bank has classified under Measured at Amortized Cost, after loan portfolio passed the test of "All cash flows from contracts are made only by interest and principal" during the transition period.

Foreign currency indexed loans are converted into TL from the foreign currency rate as of the opening date and followed in TL accounts. Repayments are measured with the foreign currency rate at the payment date, the foreign currency gains and losses are reflected to the income statement.

IX. Explanations on impairment of financial assets

As of January 1, 2018, loss allowance for expected credit losses is recognised on financial assets and loans measured at amortized cost, financial assets measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts not measured at fair value through profit or loss based on TFRS 9 and regulation published in the Official Gazette no. 29750 dated 22 June 2016 in connection with "Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans".

At each reporting date, it shall be assessed whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, it shall be used the change in the risk of a default occuring for the financial instrument.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

IX. Explanations on impairment of financial assets (continued)

Calculation of expected credit losses

The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions.

Risk parameters used in TFRS 9 calculations are included in the future macroeconomic information. While macroeconomic information is included, macroeconomic forecasting models and multiple scenarios used in the Internal Capital Assessment Process ("ICAAP") are considered.

Within the scope of TFRS 9, the probability of default (PD), Loss given default (LGD) and Exposure at default (EAD) models have been developed. The models developed under TFRS 9 are based on the following segmentation elements:

- Loan portfolio (corporate/specilization)
- Product type
- Credit risk rating notes (ratings)
- Collateral type
- Duration since origination of a loan
- Remaining time to maturity
- Exposure at default

Probability of Default (PD): PD refers to the likelihood that a loan will default within a specified time horizon given certain characteristics. Based on TFRS 9, two different PDs are used in order to calculate expected credit losses:

- 12-month PD: as the estimated probability of default occurring within the next 12 months following the balance sheet date.
- Lifetime PD: as the estimated probability of default occurring over the remaining life of the financial instrument.

The Parent Bank uses internal rating systems for loan portfolio. The internal rating models used include customer financial information and knowledge of survey responses based on expert judgement. Probability of default calculation has been carried out based on past information, current conditions and forward looking macroeconomic parameters.

Loss Given Default (LGD): If a loan default occurs, it represents the economic loss incurred on the loan. It is expressed as a percentage.

Exposure at Default (EAD): For cash loans, it corresponds to the amount of loan granted as of the reporting date. For non-cash loans and commitments, it is the value calculated through using credit conversion factors. Credit conversion factor corresponds to the factor which adjusts the potential increase of the exposure between the current date and the default date.

Financial assets are divided into three categories depending on the increase in credit risk observed since their initial recognition:

Stage 1:

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded in the amount of 12-month expected credit losses. 12-month expected credit loss is calculated based on a probability of default realized within 12 months after the reporting date. Such expected 12-month probability of default is applied on an expected exposure at default, multiplied with loss given default rate and discounted with the original effective interest rate.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

IX. Explanations on impairment of financial assets (continued)

Calculation of expected credit losses (continued)

Stage 2:

In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is determined on the basis of the instrument's lifetime expected credit losses. Calculation of expected credit losses is similar to descriptions above, but probability of default and loss given default rates are estimated through the life of the instrument.

Stage 3:

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized and interest revenue is calculated on the net carrying amount. The probability of default is taken into account as 100%.

The default assessment of the Parent Bank is made according to the following conditions:

1. Objective Default Definition: It means debt having past due more than 90 days. Current definition of default in the Parent Bank and its consolidated financial subsidiaries is based on a more than 90 days past due definition.
2. Subjective Default Definition: It means the conviction that the debt will not be paid. If the borrower is deemed to be unable to perform its obligations on the loan, the borrower should be considered in default, regardless of whether there is a pending balance or the number of days of default.

Debt instruments measured at fair value through other comprehensive income

In accordance with TFRS 9, impairment provisions are applied for financial assets measured at fair value through other comprehensive income when recognizing and measuring expected loss provision. However, the carrying amount of the financial asset at fair value through other comprehensive income is not reduced in the statement of financial position. The expected loss provision is recognized in other comprehensive income and when the related financial asset is derecognised, the expected loss provision previously recognized in other comprehensive income is classified in the income statement.

Significant increase in credit risk

As of the reporting date, if the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance for that financial instrument is measured at an amount equal to "12-month expected credit losses". However, if there is a significant increase in credit risk of a financial instrument since initial recognition, the Bank measures loss allowance regarding such instrument at an amount equal to "lifetime expected credit losses".

The Parent Bank makes qualitative and quantitative assessments regarding assessment of significant increase in credit risk of financial assets to be classified as Stage 2 (Significant Increase in Credit Risk) due to the significant increase in credit risk.

Quantitative assessments compare the relative change between the probability of default (PR) measured at the transaction date and the PD measured at the report date. In the event of a significant deterioration in PD, the credit risk is considered to have increased significantly and the financial asset is classified as Tier 2. In this context, the Parent Bank calculated threshold values to determine at what rate the relative change is a significant deterioration.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

IX. Explanations on impairment of financial assets (continued)

Significant increase in credit risk (continued)

When determining the significant increase in the parent bank credit risk, The Parent Bank also assessed the absolute change in the PD date on the transaction date and on the reporting date. If the absolute change in the PD ratio is above the threshold values, the related financial asset is classified as Stage 2.

Within the scope of qualitative assessments, if any of the following conditions are met, the related financial asset is classified as Stage 2.

- Loans overdue more than 30 days as of the reporting date
- Loans classified as watchlist
- When there is a change in the payment plan due to restructuring

Three scenarios are used in forward-looking expectations: base, bad and good. Final provisions are calculated by weighting over the probabilities given to the scenarios. In addition, for the impacts that may be encountered, the parent Bank has also established additional provisions for the sector and customers where the impact is thought to be high by making individual valuations for risks that cannot be captured through the models in the calculation of the expected loan loss.

X. Explanations on offsetting, derecognition and restructuring of financial instruments

a. Offsetting of financial instruments

Financial assets and liabilities are offset when a legally enforceable right to set off or when the Parent Bank has the intention of collecting or paying the net amount of related assets and liabilities, and they are shown in the financial statements with their net amounts. Otherwise, there is not any offsetting transaction about financial assets and liabilities.

b. Derecognition of financial instruments

Derecognition of financial assets due to change in contractual terms

Based on TFRS 9, the renegotiation or modification of the contractual cash flows of a financial asset can lead to the derecognition of the existing financial asset. When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a "new" financial asset.

When the Parent Bank assesses the characteristics of the new contractual terms of the financial asset, it evaluates the contractual cash flows including foreign currency rate changes, conversion to equity, counterparty changes and solely principal and interest on principle. When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, it is recalculated the gross carrying amount of the financial asset and recognized a modification gain or loss in profit or loss.

Where all risks and rewards of ownership of the asset have not been transferred to another party and the Bank retains control of the asset, the Bank continues to recognize the remaining portion of the asset and liabilities arising from such asset. When the Parent Bank retains substantially all the risks and rewards of ownership of the transferred asset, the transferred asset continues to be recognized in its entirety and the consideration received is recognized as a liability.

Derecognition of financial assets without any change in contractual terms

The asset is derecognized if the contractual rights to cash flows from the financial asset are expired or the related financial asset and all risks and rewards of ownership of the asset are transferred to another party. Except for equity instruments measured at fair value through other comprehensive income, the total amount consisting of the gain or loss arising from the difference between the book value and the amount obtained and any accumulated gain directly accounted in equity shall be recognized in profit/loss.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

X. Explanations on offsetting, derecognition and restructuring of financial instruments (continued)

b. Derecognition of financial instruments (continued)

Derecognition of financial liabilities

It shall be removed a financial liability (or a part of a financial liability) from the statement of financial position when, and only when, it is extinguished when the obligation specified in the contract is discharged or cancelled or expires.

c. Reclassification of financial instruments

Based on TFRS 9, the Parent Bank shall reclassify all affected financial assets at amortised cost to financial assets measured at fair value through other comprehensive income and fair value through profit or loss in the subsequent accounting when, and only when, it changes its business model for managing financial assets.

The Parent Bank's financial assets reclassification details are presented in Section 3, Note VIII.

d. Restructuring and refinancing of financial instruments

The Parent Bank may change the original contractual terms of a loan (maturity, repayment structure, guarantees and sureties) which were previously signed, in case the loan cannot be repaid or if a potential payment difficulty is encountered based on the new financing power and structure of the borrower.

Restructuring is to change the financial terms of existing loans in order to facilitate the payment of debt. Refinancing is granting a new loan by the Parent Bank which will cover either the principal or the interest payment in whole or in part of one or a few existing loans due to the anticipated financial difficulty which the customer or group encounter currently or will encounter in the future. Changes in the original terms of a credit risk can be made in the current contract or through a new contract.

Resturected Loans can be classified in standart loans unless the firm has difficulty in payment. Companies which have been restructured and refinanced can be removed from the watchlist when the following conditions are met:

- Subsequent to the through review of company's financial data and its owners' equity position, at circumstances when it is not anticipated that the owner of the company will face financial difficulties; and it is assessed that the restructured debt will be paid on time (starting from the date when the debt is restructured all due principal and interest payments are made on time).
- At least 2 years should pass over the date of restructuring (or if it is later), the date of removal from non-performing loan category, at least 10% (or the ratio specified in the legislation) of the total principal amount at the time restructuring/refinancing shall be paid and no overdue amount (principal and interest) shall remain at the date of restructuring/refinancing.

In order for the restructured non-performing loans to be classified to the watchlist category, the following conditions must be met:

- Recovery in debt service
- At least one year should pass over the date of restructuring
- Payment of all accrued and overdue amounts by debtor (interest and principal) since the date of restructuring/refinancing or the date when the debtor is classified as nonperforming (earlier date to be considered) and fulfillment of the payment condition of all overdue amounts as of the date of restructuring/refinancing
- Collection of all overdue amounts, disappearance of the reasons for classification as nonperforming receivable (based on the conditions mentioned above) and having no overdue more than 30 days as of the date of reclassification

During the follow-up period of at least two years following the date of restructuring/refinancing, if there is a new restructuring/refinancing or a delay of more than 30 days, the transactions which were non-performing at the beginning of the follow-up period are classified as non-performing loans again.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

XI. Explanations on sales and repurchase agreements and lending of securities

Funds provided under repurchase agreements are accounted under "Funds Provided under Repurchase Agreements-TL" and "Funds Provided under Repurchase Agreements-FC" accounts.

The repurchase agreements of the Group are based on the Eurobonds and government bonds issued by Republic of Turkey Undersecretariat of Treasury. Marketable securities subject to repurchase agreements are classified under assets at fair value through profit or loss, assets at fair value through comprehensive income financial or assets at measured at amortized costs with parallel to classifications of instruments. The income and expenses from these transactions are reflected to the interest income and interest expense accounts in the income statement. Receivables from reverse repurchase agreements are recorded in "Receivables from Reverse Repurchase Agreements" account in the balance sheet.

XII. Explanations on assets held for sale and discontinued operations

Assets that meet the criteria to be classified as held for sale; Book values and costs to be incurred for sales are measured by the lower of their fair value, which has been deducted. Depreciation on these assets is stopped, and these assets are presented separately on the balance sheet. In order for an asset to be an asset held for sale; The relevant asset (or group of assets to be disposed of) must be in a position to be sold immediately within the framework of common and customary conditions and the probability of sale must be high. In order for the probability of sales to be high; A plan for the sale of the asset (or group of assets to be disposed of) must have been made by an appropriate management level and an active program for the identification of buyers and completion of the plan must have been initiated. In addition, the asset (or group of assets to be disposed of) must be actively marketed at a price that is compatible with its fair value. In addition, the sale must be expected to be recognized as a completed sale within one year from the date of classification, and the actions required to complete the plan must demonstrate that significant changes to the plan are unlikely to be made or the plan will be canceled.

Various events or circumstances can extend the completion time of the sale transaction to more than one year. Assets will continue to be classified as assets held for sale if the delay was caused by events or circumstances beyond the control of the entity and there is sufficient evidence that the entity's plan to sell the relevant asset (or group of assets to be disposed of) is in progress.

A discontinued activity is a division of a bank that is classified as being disposed of or held for the purpose of sale. Results for discontinued operations are presented separately in the income statement.

XIII. Explanations on goodwill and other intangible assets

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the subsidiary or jointly controlled interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. Intangible assets that are acquired prior to 1 January 2005 are carried at restated historical cost as of December 31, 2004; and those acquired subsequently are carried at cost less accumulated amortization, and any impairment. Intangible assets are depreciated on a straight line basis over their expected useful lives. Depreciation method and period are reviewed periodically at the end of each year. Intangible assets are mainly composed of rights and they are depreciated principally on a straight-line basis between 1-15 years.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

XIV. Explanations on tangible assets

Tangible assets rather than real estate, purchased before 1 January 2005, are accounted for at their restated costs as of December 31, 2004 and the assets purchased in the following periods are accounted for at acquisition cost less accumulated depreciation and reserve for impairment. Gain or loss resulting from disposals of the tangible assets is reflected to the income statement as the difference between the net proceeds and net book value. Normal maintenance and repair expenses incurred on property, plant and equipment are recognized as expense.

Since the third quarter of 2015, the Group has changed its accounting policy and adopted the revaluation method within the scope of IAS 16 in the valuation of buildings and land. The redemption period of the properties is specified in the appraisal report. In the event that the cost price is above the "Net realizable value" of the relevant tangible asset estimated within the framework of the "Turkish Accounting Standard for Impairment from Assets" ("TAS 36"), the value of the asset in question is reduced to the "Net realizable value" and is associated with the expense accounts for the allocated impairment. The positive difference between the real estate values in the appraisal report prepared by the companies authorized in the field of independent valuation and the net book value of the related properties is followed in the equity accounts. In the valuation of immovables, cost method approach, precedent comparison and income reduction methods were taken into consideration to the extent of their applicability to real estate.

There are no pledges, mortgages and similar takyidat on tangible assets. Tangible assets are depreciated by applying the linear depreciation method and their useful lives are determined according to the IAS.

Depreciation rates and estimated useful lives of tangible assets are as follows.

Tangible Assets	Expected Useful Lives (Years)	Depreciation Rate (%)
Cashvault	4-50	2-25
Vehicles	5	20
Buildings	50	2
Other Tangible Assets	1-50	2-100

Investment Properties

Investment properties are real estate held to earn rent income, gain in value or both. An investment property is recognized as an asset if it is probable that future economic benefits related to the property will be available to operate and the cost of the investment property can be reliably measured. The fair value model has been chosen for valuation of investment properties. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (continued)

XV. Explanations on leasing transactions

TFRS 16 Leases

TFRS 16 Leasing standard abolishes the dual accounting model currently applied for lessees through recognizing finance leases in the balance sheet whereas not recognizing operational lease. Instead, it is set forth a single model similar to the accounting of financial leases (on balance sheet). For lessors, the accounting stays almost the same. The Bank has started to apply "TFRS 16 Leases" Standard starting from 1 January 2019. The Bank has applied TFRS 16 with a simplified retrospective approach. The new accounting policies of the Group regarding to application TFRS 16 are stated below:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes

(a) the amount of lease liabilities recognised,

(b) lease payments made at or before the commencement date less any lease incentives received, and

(c) All initial direct costs incurred by the Group.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the ease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

The At the commencement date of the lease, the lease payments included in the measurement of the lease liability consist of the following payments for the right to use the underlying asset during the lease term, which were not paid at the commencement date of the lease:

a) Fixed payments,

b) Variable rental payments based on an index or rate, the initial measurement of which is made using an index or rate on the date the lease actually begins,

c) Amounts expected to be paid by the Group under residual value commitments

d) If the parent company is reasonably confident that the Group will exercise the purchase option, the exercise price of this option and

e) Penalty payments for termination of the lease if the lease term shows that the Group will exercise an option to terminate the lease.

Variable lease payments that do not depend on an index or rate are recognized as an expense in the period when the event or condition that triggers the payment occurs. The Group uses the revised discount rate for the remainder of the lease term, as this rate if the implied interest rate in the lease can be easily determined; If it cannot be determined easily, the Group determines it as the alternative borrowing interest rate at the date of reassessment.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XV. Explanations on leasing transactions (Continued)

TFRS 16 Leases (Continued)

Lease Liabilities (Continued)

After the lease actually commenced, the Group measures the lease liability as follows:

(a) Increase the carrying amount to reflect the interest on the lease liability, and

(b) Decreases book value to reflect lease payments made.

In addition, if there is a change in the lease term, a change in the underlying fixed lease payments, or a change in the assessment of the option to purchase the underlying asset, the value of the finance lease liabilities is remeasured.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

XVI. Explanations on provisions and contingent liabilities

Provisions are recognized when there is a present obligation due to a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If aforesaid criteria did not form, the Group discloses the issues mentioned in notes to financial statements. Provisions are determined by using the Parent Bank's best expectation of expenses in fulfilling the obligation, and discounted to present value if material.

Explanations on contingent assets

Contingent assets consist of unplanned or other unexpected events that usually cause a possible inflow of economic benefits to the Group. Since recognition of the contingent assets in the financial statements would result in the accounting of an income, which may never be generated, the related assets are not included in the financial statements; on the other hand, if the inflow of the economic benefits of these assets to the Parent Bank is probable, an explanation is made thereon in the footnotes of the financial statements. Nevertheless, the developments related to the contingent assets are constantly evaluated and in case the inflow of the economic benefit to the Parent Bank is almost certain, the related asset and the respective income are recognized in the financial statements of the period in which the change occurred.

XVII. Explanations on liabilities regarding employee benefits

According to the provisions of the current laws and collective bargaining agreements in Turkey, severance pay is paid in case of retirement or dismissal. The group records the severance pay provision by estimating the present value of its likely future liability in the event of retirement or dismissal. There are no severance and notice payments obligations arising from employees employed on a fixed-term contract whose contract will expire more than 12 months from the date of the balance sheet. Actuarial losses and gains incurred after January 1, 2013 are recognized under shareholders' equity in accordance with the revised IAS 19 standard.

Employees of the parent Bank, Industrial Development Bank of Turkey Joint Stock Company, Civil Servants and Contractors Assistance and Pension Foundation and Members of the Industrial Development Bank of Turkey are members of the Munzam Social Security and Assistance Foundation ("Funds"). The technical financial statements of the said Funds are audited by an actuary registered in the register of actuaries in accordance with the provisions of the Insurance Law and the "Regulation on Actuaries" issued pursuant to this law.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVII. Explanations on liabilities regarding employee benefits (continued)

A temporary article published in the Official Gazette No. 32121 dated March 3, 2023 was added to the Social Insurance and General Health Insurance Law dated May 31, 2006 and numbered 5510. In the provisional article in question, "Those who request for monthly bonding after the effective date shall be entitled to old-age or pension in accordance with the provisions of subparagraph (B) of the first paragraph of the provisional Article 81 of the Law No. 506, the second paragraph of the provisional Article 10 of the Law No. 1479, the subparagraph (B) of the first paragraph of the provisional Article 2 of the Law No. 2925 and the provisional Article 205 of the Law No. 5434, they shall benefit from old-age or pension if they meet other conditions other than age in the said provisions. No retrospective payment shall be made on the basis of this paragraph and no retrospective rights shall be claimed." In this context, the members of the pension fund have the opportunity to retire early as of April 1, 2023. This change has no significant impact on the Bank's financials and funds.

The first paragraph of the provisional Article 23 of the Banking Law No. 5411 ("Banking Law") published in the Official Gazette dated November 1, 2005 and numbered 25983 contains the provision that bank funds shall be transferred to the Social Insurance Institution within 3 years from the date of publication of the Banking Law. According to the Banking Law; A commission consisting of representatives from various organizations shall calculate the liability according to actuarial calculations, taking into account the income and expenses of the fund, on the basis of the circuit for each ballot box. The specified obligation shall be paid in equal annual installments for not more than 15 years. However, the said article of the Banking Law was annulled by the Constitutional Court's decision dated March 22, 2007, E. 2005/39, K. 2007/33 published in the Official Gazette dated March 31, 2007 and numbered 26479, and its validity was suspended as of the date of publication of the decision, and the reasoned decision on the cancellation of the relevant paragraph was published in the Official Gazette dated December 15, 2007 and numbered 26731.

Following the publication of the Constitutional Court's reasoned decision on the annulment, the relevant articles of the Social Security Law No. 5754 regulating the principles regarding the transfer of the Principal Bank fund participants to the Social Security Institution were adopted by the TGNA on April 17, 2008 and entered into force by being published in the Official Gazette dated May 8, 2008 and numbered 26870.

The Social Security Law provides that the cash value of the liability in relation to the transferred persons as of the date of transfer; that the technical interest rate to be used in the actuarial account shall be 9,80% shall be determined by a commission consisting of representatives of the Social Security Institution, the Ministry of Finance, the Undersecretariat of the Treasury, the Undersecretariat of the State Planning Organization, the BRSA, the SDIF, the Bank and the Funds, if the income and expenses of the funds in respect of the insurance branches covered by the Social Security Law and the monthly and revenues paid by the funds are above the monthly and revenues within the framework of the regulations of the Social Security Institution. It stipulates that it will be calculated taking into account the differences and that the transfer will be completed within a period of 3 years starting from January 1, 2008.

Within the scope of the Provisional Article 20 of Article 73 of the Social Security Law No. 5754 dated April 17, 2008 ("Law") published in the Official Gazette dated May 8, 2008 and numbered 26870; It is envisaged that the ballot boxes will be transferred to the SSI within three years following the publication of the law. With the amendment in the first paragraph of the Provisional Article 20 of the Social Insurance and General Health Insurance Law No. 5510 published in the Official Gazette dated March 8, 2012 and numbered 28227, the 2-year postponement authority granted to the Council of Ministers was extended to 4 years. With the decision of the Council of Ministers published in the Official Gazette dated April 9, 2011 and numbered 27900, it was decided to extend the transfer process for 2 years. Accordingly, the transfer had to be completed by 8 May 2013. This time, with the Decision of the Council of Ministers No. 2013/467 published in the Official Gazette dated May 3, 2013 and numbered 28636, this period is extended for another 1 year and the transfer must be completed by May 8, 2014. However, since the transfer procedures did not take place, it was decided to extend the period for the transfer for another year with the Decision of the Council of Ministers published in the Official Gazette No. 28987 dated April 30, 2014. In accordance with the provision of the Law on Occupational Health and Safety dated April 4, 2015 and numbered 6645, which was published in the Official Gazette dated April 23, 2015 and numbered 29335 and entered into force, and the Law on the Amendment of Some Laws and Decree Laws, the Council of Ministers was authorized to determine the transfer date to the Social Security Institution and the transfer of the ballot boxes was postponed to an unknown date.

This authority has passed to the President by Decree Law No. 703 published in the Official Gazette No. 30473 dated July 9, 2018. In accordance with the Social Security Law, after the transfer of the monthly and/or income to the participants of the ballot boxes and their beneficiaries to the Social Security Institution, the other social rights and payments of these persons that are not covered despite being included in the foundation deed to which they are subject will continue to be covered by the organizations employing the participants of the chests and the polling stations.

As of December 31, 2024, the cash value of the principal obligations of the parent company Bank for the Assistance and Pension of Civil Servants and Contractors of TSKB A.Ş. Civil Servants and Contractors Assistance and Pension Foundation was calculated by an independent actuary using the actuarial assumptions specified in the Law and according to the actuary's report dated January 22, 2025, no technical or actual deficit requiring provision as of December 31, 2024 was identified. In addition, the management of the Parent Bank foresees that the amount of the possible liability that may arise during and after the transfer to be made within the framework specified above will be at a level that can be met by the assets of the Fund and will not impose any additional burden on the Parent Bank.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVIII. Explanations on taxation

Corporate income tax consists of the sum of current tax expense and deferred tax income or expense.

The tax liability for the current year is calculated on the taxable portion of the profit for the period. Taxable profit is calculated by taking into account items of income or expenses that are taxable or deductible from the tax base, as well as items that cannot be taxed or deducted from the tax base. Taxable profit therefore differs from the profit stated in the income statement.

Amendments were made to the Corporate Tax Law No. 5520 with the Law published in the Official

Gazette dated 27 November 2024. Accordingly; Starting from the declarations to be submitted as of October 1, 2023, the corporate tax rate has been arranged as 30% for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

In the financial statements dated 31 December 2024, 30% was used as the tax rate in the period tax calculations.

In addition, with the amendment to the law, the tax exemption specified for real estate sales profits has been abolished, but the corporate tax exemption rate to be applied to the profits obtained from the sales of real estates included in the assets of the enterprises before July 15, 2023 will be applied as 25%. With the Law published in the Official Gazette dated November 27, 2024, amendments were made to the Corporate Tax Law No. 5520. Accordingly, The corporate tax exemption rate applied to the profits arising from the sale of the participation shares that have been in the assets of the institutions for at least two full years and the founder's certificates, usufruct certificates, preemptive rights and participation shares of investment funds that they have held for the same period has been rearranged as 50%.

The entirety of the income earned from the transfer of real estate, participation shares, founder bonds, dividend shares and pre-emptive rights owned by institutions that are subject to legal proceedings due to their debts to banks, financial leasing or financing companies or that are indebted to the Savings Deposit Insurance Fund, and their guarantors and mortgagees to banks, financial leasing or financing companies or to this Fund in return for these debts, and the portion of the income earned from the sale of real estate from the said assets obtained by banks, financial leasing or financing companies in this way, and the portion of the income earned from the sale of others, are exempted from corporate tax at 50%, 75% of the profits arising from the sale of others are exempt from corporate tax.

With the Presidential Decree published in the Official Gazette dated 22 December 2024 and numbered 32760, the withholding rate applied to dividends was changed from 10% to 15%. Based on this regulation, the current withholding rate is taken into account in dividend payments made to individuals and limited taxpayer institutions, taking into account the Double Taxation Avoidance Agreements.

Turkey has put into effect the Domestic Minimum Corporate Tax with the laws published in the Official Gazette dated August 2, 2024. This tax will be applied as of the 2025 accounting period. "The institution of the Minimum Corporate Tax has been introduced with Law No. 7524, and a regulation has been made regarding the corporate tax calculated within this scope cannot be less than 10% of the corporate income before deductions and exemptions. The regulation will enter into force on the date of publication to be applied to the corporate income of the 2025 taxation period. In addition, the Corporate Tax General Communiqué No. 23 has been published on the subject. Since it will be valid as of 2025, it will not affect the current period tax expense in the financials dated December 31, 2024.

Turkey has started to adopt the OECD's Global Minimum Supplementary Corporate Tax regulations (Pillar 2) with a Bill submitted to the Turkish Grand National Assembly on July 16, 2024. These regulations entered into force with the laws published in the Official Gazette on August 2, 2024. The practice in Turkey is largely compatible with the OECD's Pillar 2 Model Rules and shows similarities in terms of scope, exemptions, consolidation, tax calculations and declaration periods. The secondary regulation regarding the calculation details and application method has not been published yet. In the preliminary assessments made by considering the regulations published by the OECD, it is assessed that the said regulations will not have any impact on the financials.

Within the scope of Article 298 of the Tax Procedure Code, it is stipulated that if the increase in the producer price index is more than 100% in the last 3 accounting periods including the current period and more than 10% in the current accounting period, the financial statements will be subject to inflation adjustment and these conditions have been fulfilled as of December 31, 2021.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVIII. Explanations on taxation (Continued)

However, the Law No. 7352 "On the Amendment of the Tax Procedure Law and the Corporate Tax Law" published in the Official Gazette dated January 29, 2022 and numbered 31734 and the provisional Article 33 were added to the Tax Procedure Law No. 213 and the accounting periods of 2021 and 2022, including the temporary tax periods (as of the accounting periods ending in 2022 and 2023 for those who were assigned special accounting periods) and the 2023 accounting period within the scope of Article 298 It has been enacted that the financial statements will not be subject to inflation adjustment regardless of whether the conditions for inflation adjustment have occurred or not, and that the financial statements dated December 31, 2023 will be subject to inflation adjustment regardless of whether the conditions for inflation adjustment have occurred or not, and that the profit/loss differences arising from the inflation adjustment will be shown in the profit/loss account of previous years.December 28, 2023 and published in the Official Gazette No. 32413, Some Laws and Decrees with the Force of Law No. 7491 on the Amendment of the Law No. 17, Banks, companies in accordance with the Law on Financial Leasing, Factoring, Financing and Savings Financing Companies dated November 21, 2012 and No. 6361, payment and electronic money institutions, authorized exchange institutions, asset management companies, the Law on Financial Leasing, Factoring, Financing and Savings Financing Companies, pay and electronic money institutions, asset management companies, it has been enacted that profit/loss differences arising from the inflation adjustment to be made by capital market institutions, insurance and reinsurance companies and pension companies in the accounting periods of 2024 and 2025, including temporary tax periods, will not be taken into account in the determination of earnings. The President is authorized to extend the periods determined within the scope of this paragraph up to an accounting period, including temporary tax periods.

With the Communiqué on the Amendment of the General Communiqué on the Tax Procedure Law No. 547 (serial no. 537) published in the Official Gazette dated January 14, 2023 and numbered 32073, the procedures and principles of the articles of the law that allow the revaluation of immovables and depreciable economic assets have been rearranged. Accordingly, the Bank has revalued some of its assets on its balance sheet until 30 September 2023, provided that the conditions set forth in the provisions of the Provisional Article 32 of the Tax Procedure Law and the Repetitive Article 298/ç are met. As of December 31, 2023, no revaluation was implemented due to the fact that the financial statements were subject to inflation adjustment as of December 31, 2023. In this context, corporate tax is calculated by taking into account the depreciation allocated on the values of the revalued assets subject to revaluation until the period of September 30, 2023

Deferred tax liability or assets are determined by calculating the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of the legal tax base, according to the balance sheet method, by taking into account the legal tax rates

According to the Provisional Article 33 of the Tax Procedure Law, in the financial statements dated 31 December 2024, the tax effects arising from the subject of inflation correction of the corporate tax are included in the deferred tax calculation as of 31 December 2024.

Deferred tax is recognized for Stage 1 and Stage 2 expected loss provisions.

Except for goodwill or business combinations, deferred tax liability or asset is not calculated for temporary timing differences arising from the initial recognition of assets or liabilities and which do not affect both commercial and financial profit or loss.

The carrying amount of deferred tax asset is reviewed as of each balance sheet date. Carrying value of deferred tax asset is reduced to the extent that it is not probable that a taxable profit will be obtained to allow some or all of the deferred tax asset to be benefited. Deferred tax is calculated over the tax rates valid in the period when assets are created or liabilities are fulfilled and recorded as expense or income in the income statement.

However, if the deferred tax is related to assets directly associated with equity in the same or a different period, it is directly associated with the equity account group. Deferred tax receivables and liability are netted off.

Pursuant to Article 53 of the Banking Law dated October 19, 2005 and numbered 5411, all of the special provisions set aside for loans and other receivables are taken into account as an expense in the determination of the corporate tax base in the year they are allocated pursuant to the second paragraph of the same article.

Transfer pricing

The issue of transfer pricing is regulated by Article 13 of the Corporate Tax Law titled "Distribution of Implicit Earnings through Transfer Pricing", and detailed explanations on the subject are included in the "General Communiqué on Implicit Profit Distribution through Transfer Pricing". Pursuant to these regulations, in the event that goods or services are purchased or sold with related persons/organizations at the price determined in violation of the arm's length principle, the gain is deemed to be distributed implicitly through transfer pricing and the distribution of earnings of this nature is not subject to deduction in terms of corporate tax.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIX. Additional explanations on borrowings

The Parent Bank borrows funds from domestic and foreign institutions borrowing from money market and issues marketable securities in domestic and foreign markets when needed. The funds borrowed are recorded at their purchase costs and valued at amortized costs using the effective interest method. Some of the securities issued by the Parent Bank and resources used with fixed interest rates are subject to fair value hedge accounting. While the credit risk and rediscounted accumulated interest on hedging liabilities are recorded in the income statement under the interest expense, the credit risk and net amount excluding accumulated interest results from hedge accounting are accounted in the income statement under the derivative financial instruments gains/losses by fair value.

XX. Explanations on share certificates issued

In accordance with the decision taken at the Ordinary General Assembly meeting held on March 28, 2024, 5% of the net profit for 2023 was allocated as a legal reserve, TL 997.000 was allocated to a special fund for the purpose of receiving venture capital investment funds, and the remaining portion was allocated as an extraordinary reserve fund.

In line with the decision taken at the Ordinary General Assembly meeting held on March 28, 2023, it was approved that 5% of the net profit of 2022 would be set aside as legal reserves, TL 145.288 would be set aside as a special fund for the purpose of purchasing venture capital investment funds, and the remaining portion would be set aside as extraordinary reserves.

XXI. Explanations on acceptances

Acceptances are realized simultaneously with the payment dates of the customers, and they are presented as commitments in the off-balance sheet accounts.

XXII. Explanations on government incentives

The Parent Bank does not use government incentives.

XXIII. Explanations on segment reporting

In accordance with its mission, the main shareholder Bank operates mainly in the fields of corporate banking and investment banking. Corporate banking provides financial solutions and banking services to medium and large corporate clients. Services offered to corporate customers include foreign trade transactions services covering investment loans, project finance, business loans on TL and foreign currency basis, letters of credit, letters of guarantee, and externally guaranteed letters of guarantee.

Investment banking operating income includes revenues from Treasury transactions and Corporate Finance activities. Within the scope of investment banking activities, in addition to the fund management of the Parent Bank, all kinds of corporate finance services are offered to corporate customers along with Securities brokerage transactions, cash management and derivative transactions.

The segmental allocation of the Group's net profit, total assets and total liabilities are shown below.

Current Period	**Corporate Banking**	**Investment Banking**	**Other**	**Total**
Net Interest Income	5.384.395	9.720.542	750.162	15.855.099
Net Fees and Commission Income	205.319	301.873	312.535	819.727
Other Income	389.929	-	3.094.419	3.484.348
Other Expense	(916.948)	(2.291.927)	(3.051.129)	(6.260.004)
Profit Before Tax	5.062.695	7.730.488	1.105.987	13.899.170
Tax Provision				(3.542.415)
Net Profit				**10.356.755**
Group's profit/loss				10.221.982
Minority share profit/loss				134.773

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XXIII. Explanations on segment reporting (Continued)

Current Period	**Corporate Banking**	**Investment Banking**	**Other**	**Total**
Segment Assets	158.390.390	57.279.469	17.497.581	233.167.440
Investment in Associates and Subsidiaries	-	-	4.361.542	4.361.542
Total Assets	**158.390.390**	**57.279.469**	**21.859.123**	**237.528.982**
Segment Liabilities	186.363.381	3.280.524	14.732.377	204.376.282
Shareholders' Equity	-	-	33.152.700	33.152.700
Total Liabilities	**186.363.381**	**3.280.524**	**47.885.077**	**237.528.982**

Prior Period	**Corporate Banking**	**Investment Banking**	**Other**	**Total**
Net Interest Income	5.531.142	4.703.258	474.445	10.708.845
Net Fees and Commission Income	172.909	272.845	240.815	686.569
Other Income	182.988	1.698.299	1.960.673	3.841.960
Other Expense	(3.353.789)	(135.988)	(2.258.070)	(5.747.847)
Profit Before Tax	2.533.250	6.538.414	417.863	9.489.527
Tax Provision				(2.339.601)
Net Profit				**7.149.926**
Group's profit/loss				6.965.044
Minority share profit/loss				184.882

Prior Period	**Corporate Banking**	**Investment Banking**	**Other**	**Total**
Segment Assets	121.922.873	44.875.480	11.175.591	177.973.944
Investment in Associates and Subsidiaries	-	-	2.939.908	2.939.908
Total Assets	**121.922.873**	**44.875.480**	**14.115.499**	**180.913.852**
Segment Liabilities	145.121.291	2.481.059	11.486.450	159.088.800
Shareholders' Equity	-	-	21.825.052	21.825.052
Total Liabilities	**145.121.291**	**2.481.059**	**33.311.502**	**180.913.852**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations related to consolidated shareholders' equity

The capital adequacy standard ratio has been calculated in accordance with the Regulation on Equities of Banks, the Regulation on Measurement and Assessment of Capital Adequacy of Banks and the BRSA decision numbered 10747 dated 12 December 2023. Within the framework of the said Board decision, the amount subject to credit risk has been calculated using the foreign exchange buying rates of the Central Bank of the Republic of Turkey as of 26 June 2023, while the equity item has been calculated without taking into account the negative net valuation differences of the securities acquired on or before 1 January 2024 and included in the "Securities at Fair Value Through Other Comprehensive Income" portfolio. The Group's capital adequacy standard ratio calculated as of 31 December 2024 is 26,44%. (31 December 2023: 25,96).

	Consolidated	Consolidated
CORE EQUITY TIER 1 CAPITAL	**Current Period**	**Prior Period**
Paid-in capital to be entitled for compensation after all creditors	2.800.374	2.800.374
Share premiums	1.007	1.007
Reserves	14.793.249	7.745.308
Other comprehensive income according to TAS	5.174.692	4.357.068
Profit	10.228.073	6.854.098
Current Period Profit	10.221.982	6.965.044
Prior Period Profit	6.091	(110.946)
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	-	-
Minority shareholder	577.236	403.702
Core Equity Tier 1 Capital Before Deductions	**33.574.631**	**22.161.557**
Deductions from Core Equity Tier 1 Capital		
Valuation adjustments calculated as per the 1st clause of article 9.(i) of the Regulation on Bank Capital	-	-
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS	268.452	233.889
Leasehold improvements on operational leases	9.683	6.744
Goodwill (net of related tax liability)	1.005	1.005
Other intangible assets other than mortgage-servicing rights (net of related tax liability)	7.218	7.113
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Net amount of defined benefit plans	-	-
Investments in own common equity	-	-

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to consolidated shareholders' equity (continued)

Shares obtained against article 56, paragraph 4 of Banking Law	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank does not own 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I capital	1.121.984	786.083
Mortgage servicing rights not deducted	-	-
Excess amount arising from deferred tax assets from temporary differences	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
The amount of overage resulting from net long positions of investments in the core capital elements of banks and financial institutions in which more than 10% of the shareholding is owned and not consolidated	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions from Tier I capital in cases where there are no adequate additional Tier I or Tier II capitals	-	-
Total Regulatory Adjustments to Tier 1 Capital	**1.408.342**	**1.034.834**
Core Equity Tier I Capital	**32.166.289**	**21.126.723**
ADDITIONAL TIER I CAPITAL		
Preferred stock not ıncluded in core equity and related share premiums	-	-
Debt instruments and the related issuance premiums defined by the BRSA	10.519.950	5.871.100
Debt instruments and the related issuance premiums defined by the BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	**10.519.950**	**5.871.100**
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above tier i capital	-	-
The total of net long position of the direct or indirect investments in additional Tier I capital of unconsolidated banks and financial institutions where the bank owns more than 10% of the issued share capital	-	-
Other items to be defined by the BRSA	-	-
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Core Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Core Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	**-**	**-**
Total Additional Tier I Capital	**10.519.950**	**5.871.100**
Total Tier I Capital (Tier I Capital=Core Equity Tier I Capital+Additional Tier I Capital)	**42.686.239**	**26.997.823**
TIER II CAPITAL		
Debt instruments and the related issuance premiums defined by the BRSA	**-**	**-**
Debt instruments and the related issuance premiums defined by the BRSA (Temporary Article 4)	-	**-**
Provisions (Article 8 of the Regulation on the Equity of Banks)	1.882.408	1.222.464
Tier II Capital Before Deductions	**1.882.408**	**1.222.464**
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to consolidated shareholders' equity (continued)

Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Common Equity Tier I capital (-)	-	-
Total of net long positions of the investments in Tier II Capital items of unconsolidated banks and financial institutions where the bank owns 10% or more of the issued share capital	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	**-**	**-**
Total Tier II Capital	**1.882.408**	**1.222.464**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**44.568.647**	**28.220.287**
Deductions from Total Capital		
Loans granted against the articles 50 and 51 of the banking law	-	-
Net book values of movables and immovables exceeding the limit defined in the article 57, clause 1 of the Banking law and the assets acquired against overdue receivables and held for sale but retained more than five years	-	-
Other items to be defined by the BRSA	-	-
Items to be Deducted from sum of Tier I and Tier II (Capital) during the Transition Period		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, and financial entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier I capital, Additional Tier I capital, Tier II capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier I capital and Tier II capital of banking, and financial entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier I capital, Additional Tier I capital, Tier II capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, and financial entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Core Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	**44.568.647**	**28.220.287**
Total Risk Weighted Assets	168.595.101	108.714.184
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	19,08	19,43
Tier I Capital Adequacy Ratio (%)	25,32	24,83
Capital Adequacy Ratio (%)	26,44	25,96
BUFFERS		
Total buffer requirement (%)	2.508	2.504
Capital conservation buffer requirement (%)	2.500	2.500
Bank specific counter-cyclical buffer requirement (%)	0.008	0.004
Systematic significant buffer (%)	-	-
The ratio of Additional Core Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to risk weighted assets	14,58	14,93
Amounts below the Excess Limits as per the Deduction Principles		
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital	-	-
Total of net long positions of the investments in Tier I capital of unconsolidated banks and financial institutions where the bank owns more than 10% or less of the issued share capital	3.271.104	2.150.910
Remaining mortgage servicing rights	-	-
Excess amount arising from deferred tax assets from temporary differences	-	-

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to consolidated shareholders' equity (continued)

Limits Related to Provisions Considered in Tier II Calculation		
General reserves for receivables where the standard approach used (before tenthousandtwentyfive limitation)	4.966.267	5.312.170
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	1.882.408	1.222.464
Excess amount of total provision amount to credit risk amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)		
Upper limit for Additional Tier I Capital subjected to temprorary Article 4		-
Amounts Excess the Limits of Additional Tier I Capital subjected to temprorary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temprorary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temprorary Article 4	-	-

Explanations on the reconciliation between amounts related to equity items and on balance sheet

There are no differences between the amounts related to consolidated equity items and on balance sheet figures.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to shareholders' equity (continued)

Information on debt instruments to be included in the equity calculation:

Issuer	Türkiye Sınai Kalkınma Bankası A.Ş.
Unique identifier (eg CUSIP, ISIN etc.)	XS2778918834 US90015YAF60
Governing law(s) of the instrument	Regulation on Equity of Banks (Official Gazette Date: 05,09.2013 Official Gazette Number: 28756) Capital Markets Board Debt Instruments Communiqué VII-128.8 (Official Gazette Date: 07,06.2013 Official Gazette Number: 28670)
Consideration in Equity Calculation	
Subject to 10% deduction as of 1/1/2015	None
Eligible on unconsolidated and/or consolidated basis	Eligible on unconsolidated and consolidated
Instrument type	The loan to be included in the additional Tier 1 capital calculation
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date - Million USD)	300
Par value of instrument (Million USD)	300
Accounting classification	347001 (Liability) - Subordinated Bonds
Original date of issuance	21 March 2024
Perpetual or dated	Undated
Original starting and maturity date	21 March 2024
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	There is an back payment option for the first 5 years (after the 5th year) on 21 March 2029
Subsequent call dates, if applicable	After the 5th year, the relevant option can be used. If it is not used after the 5th year, it can be used at every 5th Anniversary.
Interest/dividend payments	
Fixed or floating dividend/coupon	Fixed/semiannualy coupon payment, principal payment at the maturity
Coupon rate and any related index	9,75%
Existence of a dividend stopper	Yes
Fully discretionary, partially discretionary or mandatory	Partially optional.
Existence of step up or other incentive to redeem	None.
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, specify instrument type convertible into	None
If convertible, specify issuer of instrument it converts into	None
Write-down feature	
If write-down, write-down trigger(s)	None
If write-down, full or partial	Full and Partial
If write-down, permanent or temporary	Permanent and temporary
If temporary write-down, description of write-up mechanism	None.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After contribution capitals
In compliance with article number 7 and 8 of "Own fund regulation"	It has the conditions set forth in Article 7. It does not meet the conditions stated in Article 8.
Details of incompliances with article number 7 and 8 of "Own fund regulation"	It has the conditions set forth in Article 7. It does not meet the conditions stated in Article 8.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk

The sectoral distributions of the loans are reported to the Board of Directors on a monthly basis and limitations are made according to the conjuncture. No geographical restrictions apply. Monitoring and controls are carried out regarding the transactions made for Treasury purposes. Risk limits have been determined in relation to the transactions carried out.

The credit worthiness of loan customers is monitored by the Credit Allocation Department and is regularly reviewed every six months. The credit worthiness of borrowers is monitored at regular intervals in accordance with the relevant legislation. Account status documents are obtained as stipulated in the relevant legislation. Credit limits are determined by the Board of Directors, the bank credit committee and the credit management. The parent company Bank receives sufficient collateral for its loans and other receivables. The guarantees received consist of personal bail, real estate mortgage, cash blockage and customer checks.

Limits have also been set for transactions with banks. Credit risks are managed within the framework of the counterparty's credit worthiness and limits.

Definitions of delinquent and depreciated loans, as well as explanations of value adjustments and provisions, are given in footnote X of Chapter Four.

The total amount of risks incurred after offset transactions, regardless of the effects of credit risk reduction, and the average amount of risks disaggregated according to different risk classes and types for the relevant period

	Current Period		Prior Period	
	Risk Amount (1)	Average Risk Amount (2)	Risk Amount (1)	Average Risk Amount (2)
Exposures to sovereigns and their central banks	39.038.328	32.047.457	25.953.302	24.988.367
Exposures to regional and local governments	-	-	-	-
Exposures to administrative bodies and noncommercial entities	232.482	327.924	7.897	15.232
Exposures to multilateral development banks	106.747	64.367	39.951	37.034
Exposures to international organizations	-	-	-	-
Exposures to banks and securities firms	14.651.015	13.825.651	15.082.208	11.629.077
Exposures to corporates	144.621.373	138.996.884	92.068.405	128.237.254
Retail exposures	-	-	-	-
Exposures secured by property	3.198.999	1.295.422	952.426	944.455
Past due receivables	457.704	745.540	866.437	248.889
Exposures in higher-risk categories	6.909	7.012	117.390	420.416
Exposures in the form of bonds secured by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-
Equity investments in the form of collective investment undertakings	1.627.653	619.295	333.625	591.001
Equity investments	4.173.443	3.854.447	2.780.064	2.270.488
Other exposures	11.554.829	9.690.840	6.064.468	4.774.450

(1) Includes total risk amounts before the effect of credit risk mitigation.

(2) Average risk amounts are the arithmetical average of the amounts in monthly reports prepared as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

The share of the Group's risks from the top 100 and 200 cash loan customers in the total cash loans portfolio is as follows; 79,33% and 95,25% (December 31, 2023: 80,84% and 96,30%).

The share of the Group's risks from the top 100 and 200 non-cash loan customers in the total non-cash loans portfolio is as follows; 87,72% and 92,20% (December 31, 2023: 92,20% and 92,20%).

The share of the amount of cash and non-cash risk from the first 100 and 200 credit customers of the Group in the total balance sheet and in the regular accounts, respectively; 78,39% and 94,89% (December 31, 2023: 85,50% and 90,03%).

For the credit risk assumed by the Group, the expected loss provision for stage 1 and phase 2, measured in accordance with the IFRS 9 projected loss model, is TL 5.013.806 (December 31, 2023: TL 5.317.873).

Credit risk is assessed according to the Parent Bank's internal rating model. While the rating of the customers outside the financial sector in the loan portfolio is made with the internal rating model, the ratings of the customers included in the financial sector are matched to the internal ratings of the Parent Bank given by the external rating agencies.

Rated cash loans, non-cash loans and finance lease receivables rated by internal rating model is given table below for the current period.

Loan Quality Categories	**Current Period (%)**	**Prior Period (%)**
Above Average Grade	42,56	39,06
Average Grade	45,97	46,53
Below Average Grade	9,47	11,64
Impaired	2,00	2,77
Total	**100,00**	**100,00**

The aging analysis of the Parent Bank's closely monitored loans with 31 days or more of default days but not impaired is as follows:

	Current Period (1)				**Prior Period**			
	31- 60 Days	**61- 90 Days**	**Other**	**Total**	**31- 60 Days**	**61- 90 Days**	**Other**	**Total(1)**
Corporate Loans	-	-	-	-	12.411	-	-	12.411
SME Loans	-	-	-	-	-	-	-	-
Consumer Loans	-	-	-	-	-	-	-	-
Total	-	-	-	-	**12.411**	-	-	**12.411**

(1) On December 31, 2024, there is no default on loans under close monitoring. Only the overdue amounts of the loans included in the relevant items are included, and the total loan balance of these loans is 387.794 TL on 31 December 2023.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Profile of significant exposures in major region

	Risk Types [1]																
Current Period	**Exposures to sovereigns and their central banks**	**Exposures to regional and local govern-ments**	**Exposures to administrative bodies and non-commercial entities**	**Exposures to multilateral development banks**	**Exposures to international organizations**	**Exposures to banks and securities firms**	**Exposures to corporates**	**Retail exposures**	**Exposures secured by property**	**Past due receivables**	**Exposures in higher-risk categories**	**Exposures in the form of bonds secured by mortgages**	**Short term exposures to banks, brokerage houses and corporates**	**Equity investments in the form of collective investment undertakings**	**Equity invest-ments**	**Other exposures**	**Total**
Domestic	39.040.549	-	46.757	-	-	9.769.961	131.440.053	-	3.198.999	457.704	2.720	-	-	1.627.654	272.309	10.347.631	**196.204.337**
European Union (EU) Countries	-	-	-	196	-	81.150	-	-	-	-	-	-	-	-	688.182	109.801	**879.329**
OECD Countries [2]	-	-	-	21.229	-	475.592	418.624	-	-	-	-	-	-	-	-	-	**915.445**
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
USA, Canada	-	-	-	66.468	-	401.782	-	-	-	-	-	-	-	-	-	-	**468.250**
Other Countries	-	-	-	18.854	-	4.057	5.404	-	-	-	-	-	-	-	-	-	**28.315**
Associates, Subsidiaries and Joint-Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.212.952	-	**3.212.952**
Unallocated Assets/Liabilities [3]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Total	**39.040.549**	**-**	**46.757**	**106.747**	**-**	**10.732.542**	**131.864.081**	**-**	**3.198.999**	**457.704**	**2.720**	**-**	**-**	**1.627.654**	**4.173.443**	**10.457.432**	**201.708.628**

[1] Risk types in the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" have been used. Since there is no securitization position, risk class of "Securitization Positions" has not been included in the table. Includes risk amounts after the effect of credit risk mitigation and the credit conversion.

[2] Includes OECD countries other than EU countries, USA and Canada.

[3] Includes asset and liability items that cannot be allocated on a consistent basis.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Profile of significant exposures in major region (continued)

	Risk Types [1]																
Prior Period	**Exposures to sovereigns and their central banks**	**Exposures to regional and local govern-ments**	**Exposures to administrative bodies and non-commercial entities**	**Exposures to multilateral development banks**	**Exposures to international organizations**	**Exposures to banks and securities firms**	**Exposures to corporates**	**Retail exposures**	**Exposures secured by property**	**Past due receivables**	**Exposures in higher-risk categories**	**Exposures in the form of bonds secured by mortgages**	**Short term exposures to banks, brokerage houses and corporates**	**Equity investments in the form of collective investment undertakings**	**Equity invest-ments**	**Other exposures**	**Total**
Domestic	25.958.385	-	1.579	-	-	12.367.705	85.914.461	-	952.426	866.437	57.269	-	-	333.625	176.705	5.260.963	131.889.555
European Union (EU) Countries	-	-	-	5.975	-	130.906	-	-	-	-	-	-	-	-	462.591	103.661	703.133
OECD Countries [2]	-	-	-	-	-	23.252	-	-	-	-	-	-	-	-	-	-	23.252
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	289.704	-	-	-	-	-	-	-	-	-	-	289.704
Other Countries	-	-	-	33.976	-	32.756	-	-	-	-	-	-	-	-	-	-	66.732
Associates, Subsidiaries and Joint-Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.140.768	-	2.140.768
Unallocated Assets/Liabilities [3]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**25.958.385**	**-**	**1.579**	**39.951**	**-**	**12.844.323**	**85.914.461**	**-**	**952.426**	**866.437**	**57.269**	**-**	**-**	**333.625**	**2.780.064**	**5.364.624**	**135.113.144**

[1] Risk types in the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" have been used. Since there is no securitization position, risk class of "Securitization Positions" has not been included in the table. Includes risk amounts after the effect of credit risk mitigation and the credit conversion.

[2] Includes OECD countries other than EU countries, USA and Canada.

[3] Includes asset and liability items that cannot be allocated on a consistent basis.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Risk profile by sectors or counterparties

	Risk Sınıfları [1]																		
Current Period	Exposures to sovereigns and their central banks	Exposures to regional and local govern-ments	Exposures to administ-rative bodies and non-commercial entities	Exposures to multilateral development banks	Exposures to international organizations	Exposures to banks and securities firms	Exposures to corporates	Retail exposures	Exposures secured by property	Past due recei-vables	Exposures in higher-risk categories	Exposures in the form of bonds secured by mortgages	Short term exposures to banks, brokerage houses and corporates	Equity investments in the form of collective investment undertakings	Equity invest-ments	Other exposures	TL	FC	Total
Agriculture	-	-	-	-	-	-	62.772	-	-	-	16	-	-	-	-	340	356	62.772	63.128
Farming and Stockbreeding	-	-	-	-	-	-	62.772	-	-	-	16	-	-	-	-	-	16	62.772	62.788
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	340	340	-	340
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	95.088.649	-	1.521.544	149.194	2.684	-	-	-	-	185.001	10.569.174	86.377.898	96.947.072
Mining and Quarrying	-	-	-	-	-	-	1.338.065	-	-	-	-	-	-	-	-	-	2.292	1.335.773	1.338.065
Production	-	-	-	-	-	-	42.165.375	-	1.311.774	5.169	41	-	-	-	-	185.001	4.475.430	39.191.930	43.667.360
Electricity, Gas and Water	-	-	-	-	-	-	51.585.209	-	209.770	144.025	2.643	-	-	-	-	-	6.091.452	45.850.195	51.941.647
Construction	-	-	-	-	-	-	3.493.530	-	682.133	289.029	20	-	-	-	-	-	293.588	4.171.123	4.464.711
Services	2.870.125	-	46.755	106.747	-	10.732.542	29.933.253	-	995.322	19.481	-	-	-	1.627.654	4.173.443	2.002.940	13.108.381	39.399.881	52.508.262
Wholesale and Retail Trade	-	-	-	-	-	-	1.627.019	-	50.627	19.481	-	-	-	-	-	-	424.938	1.272.188	1.697.126
Accommodation and Dining	-	-	-	-	-	-	3.678.942	-	234.000	-	-	-	-	-	26.606	-	43.281	3.896.268	3.939.549
Transportation and Telecommunication	-	-	-	-	-	-	8.155.582	-	643.841	-	-	-	-	-	5.167	1.174.480	1.180.216	8.798.854	9.979.070
Financial Institutions	2.870.125	-	46.755	106.747	-	10.732.542	8.889.659	-	-	-	-	-	-	1.627.654	3.999.357	828.461	9.516.292	19.585.008	29.101.300
Real Estate and Rental Services	-	-	-	-	-	-	1.937.731	-	-	-	-	-	-	-	-	-	1.799.645	138.085	1.937.730
Professional Services	-	-	-	-	-	-	263.566	-	-	-	-	-	-	-	142.313	-	144.009	261.870	405.879
Educational Services	-	-	-	-	-	-	232.187	-	-	-	-	-	-	-	-	-	-	232.187	232.187
Health and Social Services	-	-	-	-	-	-	5.148.567	-	66.855	-	-	-	-	-	-	-	-	5.215.421	5.215.421
Others	36.170.424	-	2	-	-	-	3.285.877	-	-	-	-	-	-	-	-	8.269.151	30.334.764	17.390.690	47.725.453
Total	**39.040.549**	**-**	**46.757**	**106.747**	**-**	**10.732.542**	**131.864.081**	**-**	**3.198.999**	**457.704**	**2.720**	**-**	**-**	**1.627.654**	**4.173.443**	**10.457.432**	**54.306.263**	**147.402.365**	**201.708.628**

[1] *Risk types in the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" have been used. Since there is no securitization position, risk class of "Securitization Positions" has not been included in the table. Includes risk amounts after the effect of credit risk mitigation and the credit conversion.*

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (Continued)

Risk profile by sectors or counterparties (Continued)

	Risk Sınıfları [1]																		
Prior Period	**Exposures to sovereigns and their central banks**	**Exposures to regional and local governments**	**Exposures to administrative bodies and non-commercial entities**	**Exposures to multilateral development banks**	**Exposures to international organizations**	**Exposures to banks and securities firms**	**Exposures to corporates**	**Retail exposures**	**Exposures secured by property**	**Past due receivables**	**Exposures in higher-risk categories**	**Exposures in the form of bonds secured by mortgages**	**Short term exposures to banks, brokerage houses and corporates**	**Equity investments in the form of collective investment undertakings**	**Equity investments**	**Other exposures**	**TL**	**FC**	**Total**
Agriculture	-	-	-	-	-	-	52.322	-	-	2.800	16	-	-	-	-	340	3.156	52.322	55.478
Farming and Stockbreeding	-	-	-	-	-	-	52.322	-	-	2.800	16	-	-	-	-	-	2.816	52.322	55.138
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	340	340	-	340
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	61.920.683	-	278.440	402.804	2.620	-	-	-	-	-	7.579.260	55.025.287	62.604.547
Mining and Quarrying	-	-	-	-	-	-	1.106.675	-	-	-	-	-	-	-	-	-	1.260	1.105.415	1.106.675
Production	-	-	-	-	-	-	24.657.340	-	276.107	98.833	22	-	-	-	-	-	4.192.621	20.839.681	25.032.302
Electricity, Gas and Water	-	-	-	-	-	-	36.156.668	-	2.333	303.971	2.598	-	-	-	-	-	3.385.379	33.080.191	36.465.570
Construction	-	-	-	-	-	-	1.724.364	-	259.726	437.156	54.633	-	-	-	-	-	541.699	1.934.180	2.475.879
Services	2.485.658	-	-	39.951	-	12.844.323	20.988.662	-	414.260	23.677	-	-	-	333.625	2.780.064	549.982	12.768.754	27.691.448	40.460.202
Wholesale and Retail Trade	-	-	-	-	-	-	491.502	-	74.952	13.875	-	-	-	-	-	10	126.591	453.748	580.339
Accommodation and Dining	-	-	-	-	-	-	2.423.869	-	179.403	-	-	-	-	-	13.058	-	813.603	1.802.727	2.616.330
Transportation and Telecommunication	-	-	-	-	-	-	7.725.306	-	159.905	9.802	-	-	-	-	3.550	-	13.923	7.884.640	7.898.563
Financial Institutions	2.485.658	-	-	39.951	-	12.844.323	6.581.102	-	-	-	-	-	-	333.625	2.736.528	549.925	11.636.173	13.934.939	25.571.112
Real Estate and Rental Services	-	-	-	-	-	-	83.610	-	-	-	-	-	-	-	-	-	4.014	79.596	83.610
Professional Services	-	-	-	-	-	-	284.942	-	-	-	-	-	-	-	26.928	47	27.630	284.287	311.917
Educational Services	-	-	-	-	-	-	364.194	-	-	-	-	-	-	-	-	-	146.820	217.374	364.194
Health and Social Services	-	-	-	-	-	-	3.034.137	-	-	-	-	-	-	-	-	-	-	3.034.137	3.034.137
Others	23.472.727	-	1.579	-	-	-	1.228.430	-	-	-	-	-	-	-	-	4.814.302	18.941.900	10.575.138	29.517.038
Total	**25.958.385**	**-**	**1.579**	**39.951**	**-**	**12.844.323**	**85.914.461**	**-**	**952.426**	**866.437**	**57.269**	**-**	**-**	**333.625**	**2.780.064**	**5.364.624**	**39.834.769**	**95.278.375**	**135.113.144**

[1] Since there is no securitization position, the risk class of "Securitization positions" is not included. Credit conversion ratio and risk amounts after credit risk reduction are included.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Analysis of maturity-bearing exposures according to remaining maturities

Risk Types	**Term to Maturity**				
Current Period[1]	**1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**Over 1 year**
Exposures to sovereigns and their central banks	2.442.316	30.306	2.501.177	1.856.688	32.209.094
Exposures to regional and local governments	-	-	-	-	-
Exposures to administrative bodies and noncommercial entities	46.741	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-
Exposures to banks and securities firms	7.638.258	516.627	859.482	30.170	1.556.540
Exposures to corporates	3.026.823	5.809.825	8.734.114	7.832.088	106.298.417
Retail exposures	-	-	-	-	-
Exposures secured by property	72.748	2.845	14.822	99.381	3.009.203
Past due receivables	-	-	-	-	-
Exposures in higher-risk categories	-	-	-	-	2.087
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Equity investments in the form of collective investment undertakings	-	-	-	-	-
Equity investments	-	-	-	-	-
Other exposures	3.182.724	883	1.161	3.335	2.380
Total	**16.409.610**	**6.360.486**	**12.110.756**	**9.821.662**	**143.077.721**

[1] Includes risk amounts after the effect of credit risk mitigation and the credit conversion.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Analysis of maturity-bearing exposures according to remaining maturities (continued)

Risk Types	**Term to Maturity**				
Prior Period [1]	**1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**Over 1 year**
Exposures to sovereigns and their central banks	3.362.908	35.944	987.137	3.105.963	18.464.823
Exposures to regional and local governments	-	-	-	-	-
Exposures to administrative bodies and noncommercial entities	1.579	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-
Exposures to banks and securities firms	11.202.124	135.030	446.931	178.959	780.083
Exposures to corporates	965.964	5.785.260	4.664.766	3.744.703	70.029.064
Retail exposures	-	-	-	-	-
Exposures secured by property	-	1.631	44.754	64.945	841.096
Past due receivables	-	-	-	-	-
Exposures in higher-risk categories	54.620	-	978	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Equity investments in the form of collective investment undertakings	-	-	-	-	-
Equity investments	-	-	-	-	-
Other exposures	1.526.269	-	-	-	95.536
Total	**17.113.464**	**5.957.865**	**6.144.566**	**7.094.570**	**90.210.602**

[1] Includes risk amounts after the effect of credit risk mitigation and the credit conversion.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Disclosures on credit risk

In determining the risk weights of the risk classes specified in Article 6 of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks, the international ratings of Fitch Ratings International Rating and JCR Avrasya Derecelendirme A.Ş. are used.

The ratings given by Fitch Ratings are used for receivables from banks and intermediary institutions whose counterparty is a resident of abroad and for receivables from central governments and central banks in the risk classes. The ratings given by JCR Avrasya Derecelendirme A.Ş. are used for receivables from banks and intermediary institutions whose counterparties are resident domestically and corporate receivables are included in the risk classes and for receivables that are denominated in TL. Other receivables from domestic residents who are not included in this scope are considered as ungraded. Credit ratings for these risk classes are not used for other assets from the borrower.

The table on matching the ratings used in the calculations to the credit quality grades is given below:

Credit Quality Level	**1**	**2**	**3**	**4**	**5**	**6**
Grade	AAA with AA-	A+ with A-	BBB+ with BBB-	BB+ with BB-	B+ with B-	CCC+ and below

Exposures by risk weights

Current Period

Risk Weight	**0%**	**10%**	**20%**	**25%**	**50%**	**75%**	**100%**	**150%**	**200%**	**250%**	**500%**	**Deductions from Equity**
Amount Before Credit Risk Mitigation (1)	39.145.075	-	12.390.807	-	13.952.429	-	132.832.414	483.621	-	3.271.104	-	1.139.890
Amount After Credit Risk Reduction	39.147.296	-	12.390.807	-	17.156.660	-	129.259.140	483.621	-	3.271.104	-	1.139.890

(1) Risk amounts are given before the effects of Credit Risk Mitigation and after the conversion rate to credit.

Prior Period

Risk Weight	**0%**	**10%**	**20%**	**25%**	**50%**	**75%**	**100%**	**150%**	**200%**	**250%**	**500%**	**Deductions from Equity**
Amount Before Credit Risk Mitigation (1)	25.993.254	-	12.739.303	-	10.850.011	-	83.708.794	2.544	17.532	2.150.910	90.804	800.945
Amount After Credit Risk Reduction	25.998.337	-	12.739.303	-	11.808.560	-	82.305.152	2.544	17.532	2.150.910	90.804	800.945

(1) Risk amounts are given before the effects of Credit Risk Mitigation and after the conversion rate to credit.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Information of major sectors or type of counterparties

The Parent Bank's all impaired and non-performing receivables comprise of domestic receivables.

Current Period	**Loans [1]**		**Provisions**
	Impaired		
Major Sectors/Counterparties	**Significant Increase in Credit Risk (Stage 2)**	**Defaulted (Stage 3)**	**Expected Credit Losses (TFRS 9)**
Agriculture	-	28.151	28.148
Farming and Stockbreeding	-	28.151	28.148
Forestry	-	-	-
Fishery	-	-	-
Manufacturing	4.476.254	1.959.313	3.624.464
Mining and Quarrying	-	-	-
Production	818.075	11.448	282.108
Electricity, Gas and Water	3.658.179	1.947.865	3.342.356
Services	3.633.754	240.349	989.322
Wholesale and Retail Trade	392.797	48.700	147.061
Accommodation and Dining	-	-	-
Transportation and Telecommunication	3.240.957	184.177	834.789
Financial Institutions	-	7.472	7.472
Real Estate, Rental and Management Services	-	-	-
Professional Services	-	-	-
Educational Services	-	-	-
Health and Social Services	-	-	-
Others	3.287.772	1.452.674	2.463.539
Total	**11.397.780**	**3.680.487**	**7.105.473**

[1] Includes breakdown of cash loans and financial lease receivables.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Information of major sectors or type of counterparties (continued)

Prior Period	**Loans [1]**		**Provisions**
	İmpaired		
Major Sectors/Counterparties	**Significant Increase in Credit Risk (Stage 2)**	**Defaulted (Stage 3)**	**Expected Credit Losses (TFRS 9)**
Agriculture	-	27.999	25.200
Farming and Stockbreeding	-	27.999	25.200
Forestry	-	-	-
Fishery	-	-	-
Manufacturing	5.577.512	2.453.318	3.460.904
Mining and Quarrying	-	-	-
Production	793.822	328.922	398.196
Electricity, Gas and Water	4.783.690	2.124.396	3.062.708
Services	6.143.064	272.383	2.497.555
Wholesale and Retail Trade	724.942	69.373	163.754
Accommodation and Dining	-	-	-
Transportation and Telecommunication	5.418.122	196.044	2.326.835
Financial Institutions	-	6.966	6.966
Real Estate, Rental and Management Services	-	-	-
Professional Services	-	-	-
Educational Services	-	-	-
Health and Social Services	-	-	-
Others	1.405.069	1.192.428	1.065.020
Total	**13.125.645**	**3.946.128**	**7.048.679**

[1] Includes breakdown of cash loans.

Information related with value adjustments and loan loss provisions

Current Period	**Opening balance**	**Provision for the period**	**Provision reversals**	**Other adjustments**	**Closing balance**
Stage 3 Provisions	3.079.691	532.515	(389.423)	-	3.222.783
Stage 1-2 Provisions	5.317.871	903.954	(1.208.019)	-	5.013.806

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated credit risk (continued)

Information related with value adjustments and loan loss provisions (continued)

Prior Period	Opening balance	Provision for the period	Provision reversals	Other adjustments	Closing balance
Stage 3 Provisions	2.147.062	1.143.272	(210.643)	-	3.079.691
Stage 1-2 Provisions	3.435.482	1.882.642	(251)	-	5.317.873

Exposures Subject to Countercyclical Capital Buffer

The geographical distribution of receivables from the private sector is taken into account for Calculation of Bank specific Counter Cyclical Capital Buffer with the scope of Capital Conservation and Counter-Cyclical Capital Buffers Regulation which is published on the Official Gazette no.28812 dated November 5, 2013 and sub-arrangements is given table below.

Information about receivables from consolidated private sector:

Current Period Country risk taken ultimately	Private Sector Loans in Banking Book	Risk Weighted Amount calculations for Trading Book	Total
United States	348	-	348
England	421.045	-	421.045
Luxembourg	797.983	-	797.983
Saudi Arabia	5.404	-	5.404
Turkey	145.475.479	33.375	145.508.854
Total	**146.700.259**	**33.375**	**146.733.634**

Prior Period Country risk taken ultimately	Private Sector Loans in Banking Book	Risk Weighted Amount calculations for Trading Book	Total
United States	149.517	-	149.517
England	41.080	-	41.080
Luxembourg	566.253	-	566.253
Turkey	93.237.836	55.375	93.293.211
Total	**93.994.686**	**55.375**	**94.050.061**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to consolidated currency risk

Due to the uncertainties and volatilities in the markets, no short or long positions are followed, so it is foreseen that there will be no exchange rate risk. However, the exchange rate risks that may occur are still calculated on a monthly basis in the exchange rate risk table within the scope of the standard method, and the results are reported to the official authorities and the Bank's senior management. Thus, exchange rate risk is closely monitored.

The position limit for currency risk is calculated in accordance with the terms of the "Regulation on the Calculation and Application of the Foreign Currency Net General Position/Equity Standard Ratio by Banks on a Consolidated and Unconsolidated Basis".

As part of the overall market risk, currency risk is also taken into account in the calculation of the Standard Ratio of Capital Adequacy. As part of the overall market risk, currency risk is also taken into account in the calculation of the Standard Ratio of Capital Adequacy.

No open positions are taken for foreign currency risks, and when any exchange rate risk arises from customer transactions, no exchange rate risk is carried by taking a counter position.

Announced current foreign exchange buying rates of the Bank as at reporting date and the previous five working days in US Dollar and Euro are as follows:

	1 US Dollar	1 Euro
The Parent Bank's "Foreign Exchange Valuation Rate"		
December 31, 2024	35,0665	36,4832
Prior Five Workdays;		
December 30, 2024	35,0416	36,5274
December 27, 2024	34,9603	36,3902
December 26, 2024	35,0086	36,4089
December 25, 2024	35,0462	36,4586
December 24, 2024	34,9932	36,3719

The basic arithmetic average values of the Bank for the last thirty days from the date of the financial statement of the current exchange rate in US Dollars and Euros are 34,7422 and 36,3677 in full TL, respectively.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to consolidated currency risk (continued)

Information on the Group's foreign currency risk:

	Euro	US Dollar	Other FC	Total
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased, Precious Metals) and Balances with the Central Bank of Turkey	2.166	2.877.487	-	2.879.653
Banks	373.879	7.012.622	414.370	7.800.871
Financial Assets at Fair Value Through Profit or Loss [1]	236.722	491.491	-	728.213
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	2.580.472	3.316.915	-	5.897.387
Loans [2]	67.182.546	80.838.780	597	148.021.923
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	-	-	-	-
Financial Assets Measured at Amortized Cost	971.838	13.285.595	-	14.257.433
Derivative Financial Assets for Hedging Purposes [5]	-	255.963	-	255.963
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets [3]	4.729	108.280	-	113.009
Total Assets	**71.352.352**	**108.187.133**	**414.967**	**179.954.452**
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Money Market Borrowings	323.059	996.218	-	1.319.277
Funds Provided From Other Financial Institutions	42.399.104	81.582.485	-	123.981.589
Marketable Securities Issued	-	62.362.792	-	62.362.792
Miscellaneous Payables	870.495	2.096.112	374.193	3.340.800
Derivative Financial Liabilities for Hedging Purposes [4]	-	417.848	-	417.848
Other Liabilities [5]	454.431	1.425.559	37	1.880.027
Total Liabilities	**44.047.089**	**148.881.014**	**374.230**	**193.302.333**
Net Balance Sheet Position	**27.305.263**	**(40.693.881)**	**40.737**	**(13.347.881)**
Net Off-Balance Sheet Position	**(27.068.889)**	**39.686.533**	**(36.477)**	**12.581.167**
Financial Derivative Assets	1.676.607	42.569.830	861.540	45.107.977
Financial Derivative Liabilities	(28.745.496)	(2.883.297)	(898.017)	(32.526.810)
Non-Cash Loans [6]	4.666.145	13.578.772	-	18.244.917
Prior Period				
Total Assets	**53.521.525**	**86.846.237**	**26.484**	**140.394.246**
Total Liabilities	**36.308.879**	**115.295.068**	**19.773**	**151.623.720**
Net Balance Sheet Position	**17.212.646**	**(28.448.831)**	**6.711**	**(11.229.474)**
Net Off -Balance Sheet Position	**(16.318.968)**	**28.590.448**	**630**	**12.272.110**
Financial Derivative Assets	1.783.110	30.780.011	626.441	33.189.562
Financial Derivative Liabilities	(18.102.078)	(2.189.563)	(625.811)	(20.917.452)
Non-Cash Loans [6]	5.606.944	4.107.324	-	9.714.268

(1) The exchange rate difference rediscount of derivative financial transactions amounting to TL 514.132 has been deducted from the "Financial Assets Reflected in Fair Value Difference Profit or Loss".

(2) The loans provided include TL 495.341 of FX-indexed loans, TL 417.553 of Financial Lease Receivables, TL 1.105 of Frozen Receivables and TL (1.105) of Default (Third Stage/Special Provision), (TL 4.506.216)) of the 1st and 2nd stages (including foreign currency-indexed loans) expected loss provision amounts.

(3) (12.319) TL 1st stage includes the expected loss provision amount.

(4) Hedging Derivative Financial Assets are defined in the "Derivative Financial Assets" line in the financial statement; Hedging Derivative Financial Liabilities are included in the "Derivative Financial Liabilities" line of the financial statement. The exchange rate difference rediscount of TL 863.444 was not taken into account in the "Derivative Financial Assets for Hedging Purposes" line.

(5) It does not include prepaid expenses in the amount of TL 31.706 and foreign exchange purchase commitment rediscounts in the amount of 2 TL.

(6) Derivative financial transactions exchange rate difference rediscounts amounting to TL 122.295 and foreign exchange sales commitment rediscounts amounting to TL 178 are not included in the "Other Liabilities" line.

(7) It has no effect on the net off-balance sheet position.

(8) (4.787) TL 1st stage includes the expected loss provision amount.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to consolidated currency risk (continued)

The Group is mostly exposed to Euro, US Dollars and other foreign currencies.

The following tables detail the Group's sensitivity to 10% increase/decrease in the TL against US Dollar, Euro and other currencies.

	Increase in Currency Rate	Effect on Profit/Loss [1]		Effect on Equity [2]	
	%	Current Period	Prior Period	Current Period	Prior Period
US Dollar	10	(106.140)	3.752	5.797	10.410
Euro	10	49.179	105.213	(25.510)	(15.845)
Other	10	426	734	-	-

	Decrease in Currency Rate	Effect on Profit/Loss [1]		Effect on Equity [2]	
	%	Current Period	Prior Period	Current Period	Prior Period
US Dollar	10	106.140	(3.752)	(5.797)	10.410
Euro	10	(49.179)	(105.213)	25.510	(15.845)
Other	10	(426)	(734)	-	-

[1] *Values expressed are before the tax effect.*
[2] *Effect on equity does not include effect on profit/loss.*

IV. Explanations related to consolidated interest rate risk

The interest rate sensitivity of assets, liabilities and off-balance sheet items is measured by the Parent Bank. The general and specific interest rate risk tables within the standard method are calculated by including assets and liabilities, and the interest rate risk faced by the Parent Bank is calculated and taken into account in calculating the Capital Adequacy Standard Ratio as part of the overall market risk.

The results that may occur with forward-looking forecast-simulation reports are determined, and the effect of fluctuations in interest rates is evaluated by sensitivity analysis and scenario analysis. With the maturity distribution (Gap) analysis, the cash need arising in each maturity period is determined. In the interest rates applied, it is ensured that there is always a plus difference (spread) between the cost of liability and the return on assets.

When the Parent Bank liabilities are taken into consideration, it is seen that the resources obtained from within the country are quite low. The main shareholder Bank procures the majority of its resources from abroad with the advantages of being a development and investment bank.

Changes in interest rates are controlled by interest rate risk statements, gap analysis, scenario analysis and stress tests, and the effect on assets and liabilities and possible changes in cash flows are examined. Parent Partnership The Bank monitors many risk control ratios, such as the ratio of market risk to total risk-weighted assets and the ratio of risk-to-risk value to equity, calculated by the internal model.

In order to prevent the negative impact of assets or equity as a result of fluctuations in interest rates or liquidity difficulties, continuous controls are carried out within the scope of risk policies and the Senior management, the Board of Directors and the Audit Committee are constantly informed.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to consolidated interest rate risk (continued)

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items

(based on repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest bearing [1][2]	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	7.345	-	-	-	-	2.873.080	2.880.425
Banks	6.379.255	-	-	-	-	1.524.618	7.903.873
Financial Assets at Fair Value Through Profit and Loss [3]	2.028.616	291.731	417.761	320.616	-	1.649.575	4.708.299
Money Market Placements	627.020	486.627	838.982	-	-	-	1.952.629
Financial Assets at Fair Value Through Other Comprehensive Income	6.524.766	1.480.352	2.112.327	6.654.897	394.703	1.137.481	18.304.526
Loans	76.972.638	21.372.449	45.316.413	18.565.052	3.834.800	-	166.061.352
Financial Assets Measured at Amortized Cost	6.340.107	4.017.545	3.430.828	8.299.285	2.131.950	-	24.219.715
Other Assets	-	-	-	-	-	11.498.163	11.498.163
Total Assets	**98.879.747**	**27.648.704**	**52.116.311**	**33.839.850**	**6.361.453**	**18.682.917**	**237.528.982**
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	6.133.032	421	-	-	-	-	6.133.453
Miscellaneous Payables	-	-	-	-	-	3.664.388	3.664.388
Marketable Securities Issued [4]	14.761.076	3.736.963	300.847	45.514.330	-	-	64.313.216
Funds Provided from Other Financial Institutions	69.838.141	16.486.753	29.468.828	7.475.505	733.278	-	124.002.505
Other Liabilities	674.851	93.156	569.748	255.395	-	37.822.270	39.415.420
Total Liabilities	**91.407.100**	**20.317.293**	**30.339.423**	**53.245.230**	**733.278**	**41.486.658**	**237.528.982**
Balance Sheet Long Position	**7.472.647**	**7.331.411**	**21.776.888**	**-**	**5.628.175**	**-**	**42.209.121**
Balance Sheet Short Position	**-**	**-**	**-**	**(19.405.380)**	**-**	**(22.803.741)**	**(42.209.121)**
Off-Balance Sheet Long Position	-	367.990	-	5.831.646	-	-	6.199.636
Off-Balance Sheet Short Position	(19.654)	-	(21.015.785)	-	(74.141)	-	(21.109.580)
Total Position	**7.452.993**	**7.699.401**	**761.103**	**(13.573.734)**	**5.554.034**	**(22.803.741)**	**(14.909.944)**

[1] Amounts in investments in associates and subsidiaries, deferred tax asset, tangible and intangible assets, other assets, other miscellenous liabilities, shareholders' equity, provisions and tax liability are presented in non-interest bearing column, in order to reconcile the total assets and liabilities on the balance sheet.

[2] Expected credit losses for stage 1 and stage 2 are shown in other assets, interest-free column.

[3] Derivative financial assets and Loans measured at fair value through profit or loss.

[4] It also includes the issued secondary subordinated debt securities that are classified under subordinated loans in the balance sheet.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to consolidated interest rate risk (continued)

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest bearing [1][2]	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	2.447	-	-	-	-	2.940.378	2.942.825
Banks	4.486.143	60.572	-	-	-	714.542	5.261.257
Financial Assets at Fair Value Through Profit and Loss [3]	1.462.194	22.819	54.469	392.991	3.235	408.347	2.344.055
Money Market Placements	7.125.928	114.559	183.901	-	-	-	7.424.388
Financial Assets at Fair Value Through Other Comprehensive Income	1.607.642	38.106	1.529.624	3.855.381	1.818.599	916.986	9.766.338
Loans	60.742.033	16.627.330	28.650.600	17.184.879	5.384.649	-	128.589.491
Financial Assets Measured at Amortized Cost	8.392.539	-	-	7.861.133	2.640.440	-	18.894.112
Other Assets	-	-	-	-	-	5.691.386	5.691.386
Total Assets	**83.818.926**	**16.863.386**	**30.418.594**	**29.294.384**	**9.846.923**	**10.671.639**	**180.913.852**
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	3.101.899	625.981	-	-	-	-	3.727.880
Miscellaneous Payables	-	-	-	-	-	2.201.367	2.201.367
Marketable Securities Issued [4]	737.516	518.664	639.421	30.744.818	-	1.508.031	34.148.450
Funds Provided from Other Financial Institutions	66.357.642	12.873.858	21.187.698	11.493.912	981.090	-	112.894.200
Other Liabilities	968.100	27.441	101.978	221.482	-	26.622.954	27.941.955
Total Liabilities	**71.165.157**	**14.045.944**	**21.929.097**	**42.460.212**	**981.090**	**30.332.352**	**180.913.852**
Balance Sheet Long Position	**12.653.769**	**2.817.442**	**8.489.497**	**-**	**8.865.833**	**-**	**32.826.541**
Balance Sheet Short Position	**-**	**-**	**-**	**(13.165.828)**	**-**	**(19.660.713)**	**(32.826.541)**
Off-Balance Sheet Long Position	-	-	-	8.938.975	415.732	-	9.354.707
Off-Balance Sheet Short Position	(4.489.815)	(235.935)	(4.875.812)	-	-	-	(9.601.562)
Total Position	**8.163.954**	**2.581.507**	**3.613.685**	**(4.226.853)**	**9.281.565**	**(19.660.713)**	**(246.855)**

[1] in investments in associates and subsidiaries, deferred tax asset, tangible and intangible assets, other assets, other miscellenous liabilities, shareholders' equity, provisions and tax liability are presented in non-interest bearing column, in order to reconcile the total assets and liabilities on the balance sheet.

[2] Expected credit losses for stage 1 and stage 2 are shown in other assets, interest-free column.

[3] Derivative financial assets and Loans measured at fair value through profit or loss.

[4] It also includes additional senior subordinated loans that are classified under subordinated loans in the balance sheet.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to consolidated interest rate risk (continued)

Average interest rates applied to monetary financial instruments: %

	Euro	US Dollar	Yen	TL
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	3,50	3,50	-	-
Banks	-	4,51	-	49,61
Financial Assets at Fair Value Through Profit and Loss	-	-	-	51,27
Money Market Placements	-	-	-	48,17
Available-for-Sale Financial Assets	4,57	6,41	-	45,87
Loans	7,32	9,19	-	56,74
Financial Assets Measured at Amortized Cost	5,84	8,09	-	22,06
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	0,26	0,53	-	47,77
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued [1]	-	5,92	-	57,37
Borrower Funds	0,25	0,50	-	39,00
Funds Provided From Other Financial Institutions	4,51	5,89	-	48,65

[1] It also includes the issued secondary subordinated debt securities that are classified under subordinated loans in the balance sheet.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to consolidated interest rate risk (continued)

Average interest rates applied to monetary financial instruments: %

	Euro	US Dollar	Yen	TL
Prior Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	4,75	4,75	-	44,72
Banks	-	5,49	-	14,21
Financial Assets at Fair Value Through Profit and Loss	-	-	-	42,83
Money Market Placements	-	-	-	33,36
Available-for-Sale Financial Assets	4,57	6,60	-	43,27
Loans	8,51	9,94	-	35,62
Financial Assets Measured at Amortized Cost	5,84	8,14	-	44,72
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	0,31	2,85	-	42,08
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	6,93	-	41,00
Borrower Funds	0,25	0,50	-	37,00
Funds Provided From Other Financial Institutions (1)	4,75	6,85	-	43,00

(1) It also includes additional senior subordinated loans that are classified under subordinated loans in the balance sheet.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations related to consolidated stock position risk

The Group is exposed to equity shares risk arising from investments on firms traded in Borsa Istanbul (BIST). Share certificate investments are almost used for trading purpose. However, these investments are not actively bought/sold by the Group. The Group classified its share certificate investments both as available for sale and as trading securities and net profit/loss of the Group is not affected unless the Group sell share certificates in portfolio of available for sale.

Equity shares risk due from banking book

Below is the comparison table of the Group's share certificate instruments' book value, fair value and market value.

Current Period	**Comparison**		
Share Certificate Investments	**Book Value**	**Fair Valur**	**Market Value**
Investment in Shares-Grade A	**3.277.958**	-	**3.322.123**
Quoted	3.277.958	-	3.322.123

Prior Period	**Comparison**		
Share Certificate Investments	**Book Value**	**Fair Valur**	**Market Value**
Investment in Shares-Grade A	**2.257.932**	-	**3.176.416**
Quoted	2.257.932	-	3.176.416

On the basis of the following table, private equity investments in sufficiently diversified portfolios, type and amount of other risks, cumulative realized gains and losses arising from selling and liquidation in the current period, total unrealized gains and losses, total revaluation increases of trading positions on stock market and their amount that included to core capital and supplementary capital are shown.

Current Period		**Revaluation Value Increases**		**Unrealized Gains and Losses**		
Portfolio	**Realized Revenues and Losses in Period**	**Total**	**Included in Core Capital**	**Total**	**Included in Core Capital**	**Included in Supplementary Capital**
Private Equity Investments	-	-	-	-	-	-
Share Certificates Quoted on a Stock Exchange	-	787.549	787.549	-	-	-
Other Share Certificates	-	1.057.785	1.057.785	-	-	-
Total	-	**1.845.334**	**1.845.334**	-	-	-

Prior Period		**Revaluation Value Increases**		**Unrealized Gains and Losses**		
Portfolio	**Realized Revenues and Losses in Period**	**Total**	**Included in Core Capital**	**Total**	**Included in Core Capital**	**Included in Supplementary Capital**
Private Equity Investments	-	-	-	-	-	-
Share Certificates Quoted on a Stock Exchange	-	641.020	641.020	-	-	-
Other Share Certificates	-	813.401	813.401	-	-	-
Total	-	**1.454.421**	**1.454.421**	-	-	-

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio

1. Explanations related to the consolidated liquidity risk

1.a Information about the governance of consolidated liquidity risk management, including: risk tolerance; structure and responsibilities for consolidated liquidity risk management; internal consolidated liquidity reporting; and communication of consolidated liquidity risk strategy, policies and practices across business lines and with the board of directors

Liquidity risk management is conducted by Treasury Department in line with the strategies set by Asset and Liability Committee within the limits and policies approved by Board of Directors, and is monitored and controlled through reportings from Risk Management, Budget Planning and Financial Control Departments to Audit Committee, Risk Committee, Board of Directors, Senior Management and relevant departments.

Considering the Bank's strategies and competitive conditions, Asset and Liability Committee has the responsibility of taking the relevant decisions regarding optimal balance sheet management of the Bank, and monitoring the implementations. Treasury Department performs cash position management within the framework of the decisions taken at Asset and Liability Committee meetings.

The Risk Management Department reports to the Board of Directors and the Asset and Liability Committee regarding liquidity risk within the scope of internal limits and legal regulations. Additionally, liquidity stress tests are performed based on various scenarios and reported with their impact on legal limit utilization. Treasury Control Unit under the Budget Planning and Investor Relations Department also make cash flow projection reportings to the Treasury Department and the Asset Liability Committee at certain periods and when needed.

1.b Information on the centralization degree of consolidated liquidity management and funding strategy and the functioning between the Parent Bank and the Parent Bank's subsidiaries

Within the scope of consolidation, liquidity management is not centralized and each subsidiary is responsible for its own liquidity management. However, the Parent Bank monitors the liquidity risk of each subsidiary within the defined limits.

1.c Information on the Parent Bank's funding strategy including the policies on funding types and variety of maturities

Among the main funding sources of the Parent Bank, there are development bank credits, capital market transactions, syndicated loans, bilateral contractual resources, repo transactions and money market transactions and these sources are diversified to minimize the liquidity risk within the terms of market conditions. The funding planning based on those loans is performed long term such as a minimum of one year and the performance is monitored by the Asset and Liability Committee.

1.ç Information on liquidity management on the basis of currencies constituting a minimum of five percent of the Parent Bank's total liabilities:

The Bank's obligations consist of Turkish Lira (TRY), US Dollar (USD) and Euro (EUR) currency types. Turkish Lira obligations mainly consist of equity and repurchase agreements, whereas foreign currency obligations consist of foreign currency credits, securities issued and repurchase agreements. All loans provided from foreign sources are in foreign currencies. For this reason, foreign resources can be used in TL funding by currency swap transactions when necessary.

1.d Information on consolidated liquidity risk mitigation techniques:

Liquidity limits are defined for the purpose of monitoring and keeping the risk under certain levels. The Bank monitors those limits' utilization and informs the Board of Directors, the Bank Senior Management and the relevant departments regularly. Regarding those limits, the Treasury Department performs the required transactions with the relevant cost and term composition in accordance with market conditions from the sources previously defined in Article C. The Parent Bank minimizes the liquidity risk by holding high quality liquid assets and diversification of funds.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio (continued)

1. Explanations related to the consolidated liquidity risk (continued):

1.e Information on the use of stress tests

Within the scope of liquidity stress tests, the deteriorations that may occur in the cash flow structure of the Parent Bank are assessed by the Bank's scenarios. The results are analyzed by taking into account the risk appetite and capacity of the Bank and reported to the senior management by the Risk Management Department ensuring the necessary actions are taken.

1.f General information on urgent and unexpected consolidated liquidity situation plans:

There is a Contingency Funding Plan for the contingent periods that arises beyond the Parent Bank's control. In a potential liquidity shortfall, Treasury Department is responsible from assessment, taking relevant actions and informing Parent Bank's Asset and Liability Committee. In contingent cases, to identify the liquidity risk arising, cashflow projections and funding requirement estimations are exercised based on various scenarios. To assess the stress scenarios, cashflow in terms of local currency is monitored regularly by Treasury Department. Scenario analysis on the Parent Bank's unencumbered sources are conducted daily. Transaction limits for organized markets are monitored timely and essential collateral amount to trade in those markets is withheld at hand. Repo transactions and/or available for sale portfolio securities in local and foreign currency that are major funding sources in shortfall periods for the Parent Bank are monitored consistently. TSKB has the optionality of choosing one or more of the following for meeting it's liquidity requirement that are selling liquid assets off, increasing short term borrowing, decreasing illiquid assets, increasing capital.

2. Consolidated liquidity coverage ratio

According to regulations which is published on 28948 numbered gazette on March 21, 2014 related to calculation of liquidity coverage ratio of banks, calculated liquidity coverage ratios are shown below. Including the reporting period for the last three months consolidated foreign currency and total liquidity coverage ratio and consolidated foreign currency and total liquidity coverage ratio's minimum and maximum levels are shown below by specified thereby weekly:

	Current Period		Prior Period	
	TL+FC	FC	TL+FC	FC
31/10/2024	304	416	579	692
30/11/2024	501	556	629	740
31/12/2024	485	471	561	609

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio (continued)

		Rate of "Percentage to be taken into account" not Implemented Total value		Rate of "Percentage to be taken into account" Implemented Total value	
Current Period		**TL+FC**	**FC**	**TL+FC**	**FC**
HIGH QUALITY LIQUID ASSETS (HQLA)					
1	High quality liquid assets			26.058.002	14.732.390
CASH OUTFLOWS					
2	Retail and Customers Deposits	-	-	-	-
3	Stable deposits	-	-	-	-
4	Less stable deposits	-	-	-	-
5	Unsecured Funding other than Retail and Small Business Customers Deposits	15.974.202	10.629.485	14.470.854	9.201.564
6	Operational deposits	647.307	575.843	161.827	143.961
7	Non-Operational Deposits	-	-	-	-
8	Other Unsecured Funding	15.326.895	10.053.642	14.309.027	9.057.603
9	Secured funding			-	-
10	Other Cash Outflows	640.678	1.060.510	640.678	1.060.510
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	547.095	966.927	547.095	966.927
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	93.583	93.583	93.583	93.583
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	43.052.539	30.674.778	5.970.404	2.781.144
16	**TOTAL CASH OUTFLOWS**			**21.081.936**	**13.043.218**
CASH INFLOWS					
17	Secured Lending Transactions	10.004	-	-	-
18	Unsecured Lending Transactions	18.703.749	14.014.377	14.013.803	10.789.468
19	Other contractual cash inflows	958.799	6.648.925	958.799	6.648.925
20	**TOTAL CASH INFLOWS**	**19.672.552**	**20.663.302**	**14.972.602**	**17.438.393**
				Upper Limit Applied Amounts	
21	**TOTAL HQLA STOCK**			**26.058.002**	**14.732.390**
22	**TOTAL NET CASH OUTFLOWS**			**6.109.334**	**3.260.805**
23	**LIQUIDITY COVERAGE RATIO (%)**			**427**	**452**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio (continued)

2. Consolidated liquidity coverage ratio

Prior Period		**Rate of "Percentage to be taken into account" not Implemented Total value**		**Rate of "Percentage to be taken into account" Implemented Total value**	
		TL+FC	**FC**	**TL+FC**	**FC**
HIGH QUALITY LIQUID ASSETS (HQLA)					
1	High quality liquid assets			16.959.136	11.208.053
CASH OUTFLOWS					
2	Retail and Customers Deposits	-	-	-	-
3	Stable deposits	-	-	-	-
4	Less stable deposits	-	-	-	-
5	Unsecured Funding other than Retail and Small Business Customers Deposits	8.622.425	5.131.613	7.383.817	3.973.795
6	Operational deposits	841.079	756.598	210.270	189.150
7	Non-Operational Deposits	-	-	-	-
8	Other Unsecured Funding	7.781.346	4.375.015	7.173.547	3.784.645
9	Secured funding			-	-
10	Other Cash Outflows	592.569	969.390	592.569	969.390
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	360.331	737.152	360.331	737.152
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	232.238	232.238	232.238	232.238
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	24.814.362	17.693.334	3.605.895	1.752.381
16	**TOTAL CASH OUTFLOWS**			**11.582.281**	**6.695.566**
CASH INFLOWS					
17	Secured Lending Transactions	1.874	-	-	-
18	Unsecured Lending Transactions	21.341.839	7.914.212	17.415.145	4.986.107
19	Other contractual cash inflows	769.408	6.893.860	769.408	6.893.860
20	**TOTAL CASH INFLOWS**	**22.113.121**	**14.808.072**	**18.184.553**	**11.879.967**
				Upper Limit Applied Amounts	
21	**TOTAL HQLA STOCK**			**16.959.136**	**11.208.053**
22	**TOTAL NET CASH OUTFLOWS**			**2.895.570**	**1.673.892**
23	**LIQUIDITY COVERAGE RATIO (%)**			**586**	**670**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio (continued)

3. Minimum explanations related to the liquidity coverage ratio by Banks:

As per The Regulation on The Calculation of Liquidity Coverage Ratio, Liquidity Coverage Ratio is the ratio of high quality liquid assets to net cash outflows. For total and foreign currency limits 100% and minimum 80% are assigned on consolidated and unconsolidated basis respectively. For the development and investment banks, Banking Regulations and Supervision Agency decided to apply zero percent to the total and foreign currency consolidated and unconsolidated liquidity coverage ratios unless stated otherwise.

In the Liquidity Coverage Ratio calculation, the items with the highest impact are high quality liquid assets, foreign funds and money market transactions. High quality liquid assets mainly consist of the required reserves held in the Central Bank of the Republic of Turkey and unencumbered securities issued by the Treasury.

The main source of funds of the main partnership Bank is long-term resources established from international financial institutions. The share of these resources in total funding is approximately 58,7%, and the share of resources provided by securities, subordinated debt instruments and syndication loans issued within the scope of bank resources diversification activities in total borrowing is 37,78. 3,5% of the parent Bank's total funding comes from repo money markets.

30-day cash flows arising from derivative transactions are included in the calculation in accordance with the Regulation. The Bank also takes into consideration the liabilities depending on the possibility of changing the fair values of the derivative transactions in accordance with the Regulation.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio (continued)

3. Minimum explanations related to the liquidity coverage ratio by Banks: (continued)

Presentation of assets and liabilities according to their remaining maturities

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed [1][2]	Total
Current Period								
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	-	2.880.425	-	-	-	-	-	2.880.425
Banks	1.524.618	6.379.255	-	-	-	-	-	7.903.873
Financial Assets at Fair Value Through Profit and Loss [3]	265.700	2.049.589	292.811	716.324	-	-	1.383.875	4.708.299
Money Market Placements	-	627.021	486.627	838.981	-	-	-	1.952.629
Financial Assets at Fair Value Through Other Comprehensive Income	-	165.346	101.361	1.985.287	13.443.735	1.471.316	1.137.481	18.304.526
Loans	-	9.326.259	10.315.873	36.465.858	84.725.854	25.227.508	-	166.061.352
Financial Assets Measured at Amortized Cost	-	3.003	-	2.471.406	12.316.222	9.429.084	-	24.219.715
Other Assets[2]	734.435	-	-	2.062.456	-	-	8.701.272	11.498.163
Total Assets	**2.524.753**	**21.430.898**	**11.196.672**	**44.540.312**	**110.485.811**	**36.127.908**	**11.222.628**	**237.528.982**
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	-	608.672	2.857.980	22.719.019	42.069.606	55.747.228	-	124.002.505
Money Market Borrowings	-	6.133.032	421	-	-	-	-	6.133.453
Marketable Securities Issued [4]	-	14.761.075	1.786.539	2.233.227	45.532.375	-	-	64.313.216
Miscellaneous Payables	-	-	-	-	-	-	3.664.388	3.664.388
Other Liabilities	-	692.360	246.446	556.970	185.004	-	37.734.640	39.415.420
Total Liabilities	**-**	**22.195.139**	**4.891.386**	**25.509.216**	**87.786.985**	**55.747.228**	**41.399.028**	**237.528.982**
Liquidity Gap	**2.524.753**	**(764.241)**	**6.305.286**	**19.031.096**	**22.698.826**	**(19.619.320)**	**(30.176.400)**	**-**
Net Off-balance sheet Position	**-**	**739.691**	**216.047**	**115.452**	**716.524**	**(6.886)**	**-**	**1.780.828**
Financial Derivative Assets	-	28.749.715	7.606.176	14.631.450	37.904.292	4.817.848	-	93.709.481
Financial Derivative Liabilities	-	28.010.024	7.390.129	14.515.998	37.187.768	4.824.734	-	91.928.653
Non-cash Loans	-	803.618	3.927.079	7.341.596	2.175.410	6.263.934	1.083.701	21.595.338
Prior Period								
Total Assets	**1.417.154**	**22.835.956**	**12.798.884**	**32.910.674**	**77.945.553**	**28.311.382**	**4.694.249**	**180.913.852**
Total Liabilities	**-**	**5.886.433**	**5.429.546**	**20.908.672**	**76.095.049**	**43.824.790**	**28.769.362**	**180.913.852**
Liquidity Gap	**1.417.154**	**16.949.523**	**7.369.338**	**12.002.002**	**1.850.504**	**(15.513.408)**	**(24.075.113)**	**-**
Net Off-balance sheet Position	**-**	**(22.337)**	**(348.496)**	**(257.864)**	**386.317**	**(4.475)**	**-**	**(246.855)**
Financial Derivative Assets	-	7.390.823	8.245.327	6.841.241	40.331.116	5.960.470	-	68.768.977
Financial Derivative Liabilities	-	7.413.160	8.593.823	7.099.105	39.944.799	5.964.945	-	69.015.832
Non-cash Loans	-	1.601.176	867.555	2.570.079	2.909.879	3.560.593	713.561	12.222.843

[1] Among the active accounts that make up the balance sheet, other assets that are required for the continuation of banking activities such as tangible assets, intangible assets, associates and subsidiaries, deferred tax assets, stocks, prepaid expenses and non-performing loans, which do not have a chance to turn into cash in a short time, and other liabilities, total shareholders' equity, provisions, and passive accounts such as tax liability are shown in the "Unallocated" column.

[2] First and second stage expected loss provisions are shown in other assets, unallocated column.

[3] Includes derivative financial assets and loans at fair value through profit or loss.

[4] It also includes the issued secondary subordinated debt securities that are classified under subordinated loans in the balance sheet.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio (continued)

3. Minimum explanations related to the liquidity coverage ratio by Banks: (continued)

Analysis of financial liabilities by remaining contractual maturities

In compliance with the Turkish Financial Reporting Standard No.7, the following table indicates the maturities of the Bank's major financial liabilities which are not qualified as derivatives. The following tables have been prepared by referencing the earliest dates of capital outflows without discounting the financial liabilities.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments	Total
Liabilities							
Funds Provided from Other Financial Institutions	592.872	3.475.712	27.060.058	59.324.006	73.596.491	(40.046.634)	124.002.505
Money Market Borrowings	6.147.328	460	-	-	-	(14.335)	6.133.453
Marketable Securities Issued	14.828.545	2.029.916	3.609.355	55.993.845	-	(12.148.445)	64.313.216
Funds	683.899	-	-	-	-	-	683.899
Leasing Liabilities	4.468	52.105	23.511	63.921	-	(102.453)	41.552
Total	**22.257.112**	**5.558.193**	**30.692.924**	**115.381.772**	**73.596.491**	**(52.311.867)**	**195.174.625**

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments	Total
Liabilities							
Funds Provided from Other Financial Institutions	767.978	4.696.492	24.498.757	60.879.148	59.978.085	(37.926.260)	112.894.200
Money Market Borrowings	3.128.249	620.349	-	-	-	(20.718)	3.727.880
Marketable Securities Issued	1.688.559	434.177	1.548.503	36.634.155	-	(6.156.944)	34.148.450
Funds	1.482.480	-	-	-	-	-	1.482.480
Leasing Liabilities	2.949	46.270	10.894	50.552	-	(71.415)	39.250
Total	**7.070.215**	**5.797.288**	**26.058.154**	**97.563.855**	**59.978.085**	**(44.175.337)**	**152.292.260**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio (continued)

3. Minimum explanations related to the liquidity coverage ratio by Banks: (continued)

Analysis of financial liabilities by remaining contractual maturities (continued)

Analysis of contractual expiry by maturity of the Group's derivative financial instruments:

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Swap Contracts	55.888.830	14.922.202	28.920.872	75.092.060	9.642.582	184.466.546
Forward Contracts	610.467	74.103	226.576	-	-	911.146
Futures Transactions	-	-	-	-	-	-
Options	260.442	-	-	-	-	260.442
Other	-	-	-	-	-	-
Total	**56.759.739**	**14.996.305**	**29.147.448**	**75.092.060**	**9.642.582**	**185.638.134**

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Swap Contracts	14.500.985	16.399.747	13.574.103	80.275.915	11.925.415	136.676.165
Forward Contracts	303.001	439.402	366.241	-	-	1.108.644
Futures Transactions	-	-	-	-	-	-
Options	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	**14.803.986**	**16.839.149**	**13.940.344**	**80.275.915**	**11.925.415**	**137.784.809**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio (continued)

4. Net stable funding ratio

Pursuant to the "Regulation on the Calculation of Banks' Net Stable Funding Rate" published in the Official Gazette dated 26 May 2023 and numbered 32202, the procedures and principles have been determined to ensure that banks provide stable funding in order to prevent the funding risk that they may be exposed to on a consolidated and non-consolidated basis in the long term from causing deterioration in their liquidity levels.

The net stable funding ratio is calculated on a consolidated and non-consolidated basis by dividing the current stable fund amount by the required stable fund amount. The current stable fund represents the part of banks' liabilities and equity that is expected to be permanent; the required stable fund represents the part of banks' on-balance sheet assets and off-balance sheet liabilities that is expected to be re-funded. The current stable fund amount is calculated by adding the amounts to be found after applying the relevant consideration ratios to the amounts of banks' liabilities and equity elements valued in accordance with TFRS. The required stable fund amount is calculated by adding the amounts to be found after applying the relevant consideration ratios to the value calculated by deducting the specific provisions set aside in accordance with the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Set Aside from the TFRS valued amounts of banks' on-balance sheet assets and off-balance sheet liabilities.

The three-month simple arithmetic average of the consolidated and non-consolidated net stable funding ratio calculated monthly as of the equity calculation periods cannot be less than one hundred percent as of the periods of March, June, September and December. Development and investment banks are exempt from meeting the minimum ratios until otherwise determined by the Board.

The three-month simple arithmetic average of the net stable funding rates for the last three months including the reporting period was calculated as 125,22%, and the three-month simple arithmetic average of the previous period was calculated as 131,25%.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio (continued)

4. Net stable funding ratio (continued)

Current Period	**a**	**b**	**c**	**d**	**e**
	Amount to which the Consideration Rate is not Applied, Based on the Remaining Maturity				**Total Amount Applied to Consideration Rate**
	Without maturity	**Less than 6 Months Term**	**6 Months to More than 6 Months and Less than 1 Year Term**	**1 Year and Longer Term**	
Current Stable Fund					
1 Equity Elements	35.457.039	-	-	10.519.950	45.976.989
2 Core capital and supplementary capital	35.457.039	-	-	10.519.950	45.976.989
3 Other equity elements	-	-	-	-	-
4 Individual and retail customer deposit/participation fund	-	-	-	-	-
5 Stable deposit/participation fund	-	-	-	-	-
6 Low stability deposit/participation fund	-	-	-	-	-
7 Debts to other persons	683.899	35.793.692	13.112.249	132.832.125	145.610.581
8 Operational deposit/participation fund	683.899	-	-	-	341.950
9 Other debts	-	35.793.692	13.112.249	132.832.125	145.268.631
10 Liabilities equivalent to interconnected assets					
11 Other obligations	4.968.238	1.121.633	-	-	-
12 Derivative liabilities				698.546	
13 Other equity items and Liabilities not included above	4.968.238	423.087	-	-	-
14 Current Stable Fund					**191.587.570**
Stable Fund Required					
15 High quality liquid assets					11.757.090
16 Operational deposit/participation fund deposited in credit institutions or financial institutions	-	-	-	-	-
17 Live receivers	80.563	41.438.826	23.351.297	110.947.914	120.618.270
18 Receivables from credit institutions or financial institutions whose collateral is first-class liquid assets	-	-	-	-	-
19 Secured receivables from credit institutions or financial institutions that are not secured or whose collateral is not first-class liquid assets	-	16.429.058	3.421.530	3.174.415	7.349.540
20 Receivables from corporate customers, institutions, real persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions.	-	24.679.646	19.924.695	107.445.234	112.793.194
21 *Receivables subject to a risk weight of 35% or less*	-	-	-	4.187.132	2.721.636
22 Receivables secured by residential real estate mortgages	-	-	-	-	-
23 *Receivables subject to a risk weight of 35% or less*	-	-	-	-	-
24 Stocks and debt instruments traded on the stock exchange that do not qualify as high-quality liquid assets	80.563	330.122	5.072	328.265	475.536
25 Assets equivalent to interdependent liabilities					
26 Other assets	16.973.438	981.776	-	-	17.894.046
27 Physically delivered commodities including gold	-				-
28 Initial collateral for derivative contracts or guarantee fund given to the central counterparty			407.787		346.619
29 Derivative assets			42.398		42.398
30 Amount of derivative liabilities before deducting the variation margin			73.887		73.887
31 Other assets not listed above	16.973.438	457.704	-	-	17.431.142
32 Off-balance sheet liabilities		5.874.833	8.556.715	26.335.888	2.038.372
33 Stable Fund Required					**152.307.778**
34 Net Stable Funding Rate (%)					**125,79**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio (continued)

4. Net stable funding ratio (continued)

Previous Period	**a**	**b**	**c**	**d**	**e**
	Amount to which the Consideration Rate is not Applied, Based on the Remaining Maturity				**Total Amount Applied to Consideration Rate**
	Without maturity	**Less than 6 Months Term**	**6 Months to More than 6 Months and Less than 1 Year Term**	**1 Year and Longer Term**	
Current Stable Fund					
1 Equity Elements	22.349.187	-	-	5.871.100	28.220.287
2 Core capital and supplementary capital	22.349.187	-	-	5.871.100	28.220.287
3 Other equity elements	-	-	-	-	-
4 Individual and retail customer deposit/participation fund	-	-	-	-	-
5 Stable deposit/participation fund	-	-	-	-	-
6 Low stability deposit/participation fund	-	-	-	-	-
7 Debts to other persons	1.482.480	17.418.201	12.922.672	112.918.607	123.403.742
8 Operational deposit/participation fund	1.482.480	-	-	-	741.240
9 Other debts	-	17.418.201	12.922.672	112.918.607	122.662.502
10 Liabilities equivalent to interconnected assets					
11 Other obligations	3.913.321	1.021.833	-	-	-
12 Derivative liabilities				850.909	
13 Other equity items and liabilities not included above	3.913.321	170.924	-	-	-
14 Current Stable Fund					**151.624.029**
Stable Fund Required					
15 High quality liquid assets					9.911.111
16 Operational deposit/participation fund deposited in credit institutions or financial institutions	-	-	-	-	-
17 Live receivers	98.324	44.043.229	13.995.953	82.214.393	91.970.734
18 Receivables from credit institutions or financial institutions whose collateral is first-class liquid assets	-	-	-	-	-
19 Secured receivables from credit institutions or financial institutions that are not secured or whose collateral is not first-class liquid assets	-	20.117.837	2.054.612	2.607.588	6.652.570
20 Receivables from corporate customers, institutions, real persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions.	-	23.925.392	11.927.504	79.488.912	85.133.412
21 *Receivables subject to a risk weight of 35% or less*	-	-	-	1.793.055	1.165.486
22 Receivables secured by residential real estate mortgages	-	-	-	-	-
23 *Receivables subject to a risk weight of 35% or less*	-	-	-	-	-
24 Stocks and debt instruments traded on the stock exchange that do not qualify as high-quality liquid assets	98.324	-	13.837	117.893	184.752
25 Assets equivalent to interdependent liabilities					
26 Other assets	12.134.360	2.205.255	-	-	13.415.438
27 Physically delivered commodities including gold	-				-
28 Initial collateral for derivative contracts or guarantee fund given to the central counterparty			181.277		154.085
29 Derivative assets			160.891		160.891
30 Amount of derivative liabilities before deducting the variation margin			99.665		99.665
31 Other assets not listed above	12.134.360	866.437	-	-	13.000.797
32 Off-balance sheet liabilities		5.425.788	3.629.626	15.308.544	1.218.198
33 Stable Fund Required					**116.515.481**
34 Net Stable Funding Rate (%)					**130,13**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio

a) Information about the consolidated leverage ratio between current and prior periods

The table regarding the leverage ratio calculated in accordance with the "Regulation on the Measurement and Evaluation of the Leverage Level of Banks" published in the Official Gazette dated November 5, 2013 and numbered 28812 is given below.

As of the balance sheet date of the Group, the leverage ratio calculated on the basis of the arithmetic average of the values found at the end of the month in the past three months was 15,28% (December 31, 2023: 12,98%). The amount of on-balance sheet assets increased by approximately 17,68% compared to the previous period.

b) Comparison table of total assets and total risk amounts in the financial statements prepared in accordance with TAS

		Current Period[3]	Prior Period
1	Amount of Asset and Risk Situated in The Consolidated Financial Statements Prepared in Accordance with TAS [2]	180.588.948	148.549.215
2	The difference between Amount of Asset in the Consolidated Financial Statements Prepared in Accordance with TAS and the Communiqué on Preparation of Consolidated Financial Statements of Banks [2]	(56.940.034)	(32.364.637)
3	The difference between total amount and total risk amount of derivative financial instruments with credit derivative in the Communiqué on Preparation of Consolidated Financial Statements of Banks [1]	2.057.453	683.472
4	The difference between total amount and total risk amount of risk investment securities or commodity collateral financing transactions in the Communiqué on Preparation of Consolidated Financial Statements of Banks [1]	3.435.271	1.430.380
5	The difference between total amount and total risk amount of off-balance sheet transactions in the Communiqué on Preparation of Consolidated Financial Statements of Banks [1]	(10.738.272)	(6.468.900)
6	The other differences between amount of assets and risk in the Communiqué on Preparation of Consolidated Financial Statements of Banks [1]	-	-
7	**Total Exposures [1]**	**270.331.017**	**198.470.339**

[1] The arithmetic average of the last 3 months in the related periods.

[2] Consolidated financial statements prepared pursuant to the sixth paragraph of Article 5 of the Communiqué on the Preparation of Consolidated Financial Statements of Banks.

[3] As of the current period, the consolidated financial statements prepared pursuant to IAS were not yet ready, and the consolidated financial statements prepared pursuant to IAS dated 31 December 2023 and 30 June 2023 as of the previous period were used

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations regarding consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio (Continued)

c) Consolidated Leverage Ratio

		Current Period [1]	Prior Period[1]
	Balance sheet Assets		
1	Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	233.627.122	177.277.593
2	(Assets deducted from Core capital)	(1.150.917)	(1.186.200)
3	**Total risk amount of balance sheet assets (sum of lines 1 and 2)**	**232.476.205**	**176.091.393**
	Derivative financial assets and credit derivatives		
4	Cost of replenishment for derivative financial assets and credit derivatives	173.291	777.323
5	Potential credit risk amount of derivative financial assets and credit derivatives	826.964	473.902
6	**Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)**	**1.000.255**	**1.251.225**
	Financing transactions secured by marketable security or commodity		
7	Risk amount of financing transactions secured by marketable security or commodity	1.523.450	866.786
8	Risk amount arising from intermediary transactions	32.812	49.629
9	**Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)**	**1.556.262**	**916.415**
	Off-balance sheet transactions		
10	Gross notional amount of off-balance sheet transactions	46.036.567	26.680.206
11	(Correction amount due to multiplication with credit conversion rates)	(10.738.272)	(6.468.900)
12	**Total risk of off-balance sheet transactions (sum of lines 10 and 11)**	**35.298.295**	**20.211.306**
	Capital and total risk		
13	Core Capital	41.297.892	25.764.354
14	Total risk amount (sum of lines 3, 6, 9 and 12)	270.331.017	198.470.339
	Leverage ratio		
15	**Leverage ratio**	**15,28%**	**12,98%**

[1] The footnote format has been prepared by taking the average amounts for 3 months according to the BRSA regulations

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations related to presentation of financial assets and liabilities at fair value

The table below shows the carrying and fair values of the financial assets and liabilities in the consolidated financial statements of the Group.

	Carrying Value	Fair Value
	Current Period	**Current Period**
Financial Assets	**221.664.878**	**217.104.220**
Money Market Placements	1.952.629	1.952.629
Banks	7.903.873	7.903.873
Financial assets whose fair value difference is reflected in other comprehensive income	18.304.526	18.304.526
Held-To-Maturity Investments	24.219.715	23.405.835
Loans (1)	169.284.135	165.537.357
Financial Liabilities	**199.800.722**	**196.270.470**
Bank Deposits	-	-
Other Deposits	-	-
Funds Provided From Other Financial Institutions (2)	130.819.857	130.819.857
Marketable Securities Issued (3)	64.313.216	60.778.652
Miscellaneous Payables	4.667.649	4.671.961

(1) Loans include financial lease receivables.

(2) Funds provided by other financial institutions include loans, borrowed funds and debts to money markets.

(3) The securities issued include bonds with additional subordinated loan characteristics, which are classified under subordinated loans.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations related to presentation of financial assets and liabilities at fair value (continued)

	Carrying Value	Fair Value
	Prior Period	Prior Period
Financial Assets	**173.015.277**	**170.207.624**
Money Market Placements	7.424.388	7.424.388
Banks	5.261.257	5.261.257
Financial assets whose fair value difference is reflected in other comprehensive income	9.766.338	9.766.338
Held-To-Maturity Investments	18.894.112	19.624.447
Loans [1]	131.669.182	128.131.194
Financial Liabilities	**154.840.241**	**152.298.847**
Bank Deposits	-	-
Other Deposits	-	-
Funds Provided From Other Financial Institutions [2]	118.104.560	118.104.560
Marketable Securities Issued [3]	34.148.450	31.607.056
Miscellaneous Payables	2.587.231	2.587.231

[1] Loans include financial lease receivables.

[2] Funds provided by other financial institutions include loans received, additional principal subordinated loans classified under subordinated loans, borrower funds and money market debt.

The methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements:

i- For the fair value calculation of loans, the prevailing interest rates as of the reporting date were used.

ii- For the fair value calculation of the balances with banks, the prevailing interest rates as of the reporting date were used.

iii- The stock market value as of the balance sheet date was used to calculate the actual value of the financial assets measured by the amortized cost.

iv- For the fair value calculation of marketable securities, market prices as of the reporting date were used.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations related to presentation of financial assets and liabilities at fair value (continued)

The following table shows an analysis of financial instruments recorded at fair value, between those whose fair value is recorded on quoted market prices, those involving valuation techniques where all model inputs are observable in the market and, those where the valuation techniques involve the use of non-observable inputs.

The table below analyses financial instruments carried at fair value, by valuation method.

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2);

c) Inputs for the asset or liability that are not based on observable market data (Level 3).

Current Period	**Level I**	**Level II**	**Level III**
Financial Assets			
Financial Assets at Fair Value Through Profit or Loss	1.650.591	-	-
Financial Assets at Fair Value Through Other Comprehensive Income(1)	11.736.043	6.447.803	100.738
Loans at Fair Value Through Profit or Loss	-	-	-
Derivative Financial Assets Held-for-trading (2)	-	1.938.301	-
Derivative Financial Assets for Hedging Purposes (2)	-	1.119.407	-
Financial Liabilities			
Derivative Financial Liabilities Held-for-trading (3)	-	880.687	-
Derivative Financial Liabilities for Hedging Purposes (3)	-	417.848	-

(1) Securities worth TL 19.941 under the financial assets item whose fair value difference is reflected in other comprehensive income are reflected in the financial statements at their acquisition cost since they are not traded in an active market, and these assets are not shown in this table.

(2) Positive differences between Derivative Financial Assets Held-for-trading and Derivative Financial Assets for Hedging Purposes are classified in "1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss"line in the balance sheet.

(3) Negative differences from Derivative Financial Liabilities Held-for-trading and Derivative Financial Liabilites for Hedging Purposes are classified in "7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss"line in the balance sheet.

Prior Period	**Level I**	**Level II**	**Level III**
Financial Assets			
Financial Assets at Fair Value Through Profit or Loss	409.358	-	-
Financial Assets at Fair Value Through Other Comprehensive Income(1)	3.806.876	5.933.323	6.197
Loans at Fair Value Through Profit or Loss	-	-	-
Derivative Financial Assets Held-for-trading (2)	-	1.624.058	-
Derivative Financial Assets for Hedging Purposes (2)	-	310.639	-
Financial Liabilities			
Derivative Financial Liabilities Held-for-trading (3)	-	978.182	-
Derivative Financial Liabilites for Hedging Purposes (3)	-	169.976	-

(1) Securities worth TL 19.941 under the financial assets item whose fair value difference is reflected in other comprehensive income are reflected in the financial statements at their acquisition cost since they are not traded in an active market, and these assets are not shown in this table.

(2) Positive differences between Derivative Financial Assets Held-for-trading and Derivative Financial Assets for Hedging Purposes are classified in "1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss"line in the balance sheet.

(3) Negative differences from Derivative Financial Liabilities Held-for-trading and Derivative Financial Liabilites for Hedging Purposes are classified in "7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss"line in the balance sheet.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations related to presentation of financial assets and liabilities at fair value (continued)

The statement of movement of financial assets at level 3 is given below.

	Current Period	Prior Period
Balance Per Period	**3.191**	**3.191**
Purchases	-	-
Redemption or Sale	-	-
Valuation Difference	94.541	-
Transfers	-	-
End of Period Balance	**97.732**	**3.191**

The real estate registered by the parent company Bank under tangible assets at fair value is at level 2, and the investment properties of the companies included in the consolidation are at level 2 and 3.

IX. Transactions made on behalf and on behalf of others, explanations and footnotes on faith-based transactions

The main partnership Bank provides management and consultancy services in the name and account of others, such as purchase, sale, custody, financial matters. No faith-based transactions are carried out by the parent company Bank.

X. Disclosures on consolidated risk management

Linkages between financial statements and risk amounts

The footnotes and related explanations prepared in accordance with the "Communiqué on Public Disclosures to be Made by Banks on Risk Management" published in the Official Gazette No. 29511 on October 23, 2015 and entered into force as of March 31, 2016 are given in this section.

Since the standard approach is used in the Bank's capital adequacy calculation, tables on methods based on internal models are not included in accordance with the relevant communique.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Links between financial statements and risk exposures

Footnotes and related explanations prepared in accordance with the "Communiqué on Disclosures to be Made to the Public by Banks on Risk Management" published in the Official Gazette numbered 29511 on 23 October 2015 and entered into force as of 31 March 2016 are provided in this section.

Since the standard approach is used in the calculation of the capital adequacy of the parent company Bank, tables regarding methods based on internal models are not included in accordance with the relevant communiqué.

Explanations on the Parent Bank's risk management approach and risk weighted amounts

Within the scope of the risk management approach of the parent Bank, the policies and implementation principles determined by the Board of Directors and in a way that serves to create a common risk culture throughout the institution; It is in a structure where risks are defined in accordance with international regulations and measurement, analysis, monitoring and reporting activities are carried out within this framework.

A Risk Management Department has been established within the Bank in order to ensure compliance with the relevant policies, implementation principles and processes and to manage the risks faced by the Bank in line with these policies. The Risk Management Department, whose duties and responsibilities are determined by the regulations approved by the Board of Directors, is independent of executive activities and executive units and reports to the Audit Committee. In addition, the Risk Committee has been established and meets regularly in order to assess the risks to which the Bank is exposed, to formulate risk management policies and submit them to the Board of Directors for approval, to determine the practices related to the management of risks and risk limits, to submit them to the Board of Directors for approval, to monitor them, and to ensure coordination between the Bank's executive units and internal systems.

The Risk Management Department carries out these activities by developing the systems needed in the risk management process, monitors the compliance of risks with policies and standards, the Parent Bank's limits and risk appetite indicators, and continues its efforts to comply with the relevant legal regulations and Basel criteria. In addition to the standard approaches used for legal reporting, the risk measurements subject to reporting are also carried out with advanced approaches through internal models and are also supported by stress tests.

The Risk Management Department submits detailed solo and consolidated risk management reports prepared on a monthly and quarterly basis to the Board of Directors through the Audit Committee. In these reports, measurements, stress tests and scenario analyses related to basic risks are included, and compliance with the determined limit level and risk appetite indicators is monitored.

Stress tests on credit, market and interest rate risk are carried out at regular intervals to conduct forward-looking risk assessments and assess the impact of the results on the Parent Bank's financial strength in general. The relevant results are reported to the Audit Committee and contribute to the assessment of the Parent Bank's financial structure in times of stress. Stress test scenarios are created by evaluating the effects of past economic crises on macroeconomic indicators and expectations for the future period. In the light of the stress scenarios created, the Parent Bank's risks and capital position in the upcoming period are predicted, necessary analyses are made in terms of legal and internal capital adequacy ratios, and the ISEDES report is reported to the BRSA.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Overview of risk weighted assets

		Risk Weighted Amount		Minimum Capital Requirement
		Current Period	**Prior Period**	**Current Period**
1	Credit risk (excluding counterparty credit risk)	141.041.065	91.250.195	11.283.285
2	Standardised approach	141.041.065	91.250.195	11.283.285
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	1.373.802	1.169.625	109.904
5	Standardised approach for counterparty credit risk	1.373.802	1.169.625	109.904
6	Internal model method	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies - look-through approach	-	-	-
9	Investments made in collective investment companies - mandate-based approach	-	-	-
10	Investments made in collective investment companies - 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB supervisory formula approach	-	-	-
15	Simplified supervisory formula approach	-	-	-
16	Market risk	1.717.513	1.903.575	137.401
17	Standardised approach	1.717.513	1.903.575	137.401
18	Internal model approaches		-	-
19	Operational risk	16.284.961	9.013.514	1.302.797
20	Basic indicator approach	16.284.961	9.013.514	1.302.797
21	Standard approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	8.177.760	5.377.275	654.221
24	Floor adjustment	-	-	-
25	**Total (1+4+7+8+9+10+11+12+16+19+23+24)**	**168.595.101**	**108.714.184**	**13.487.608**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Linkages between financial statements and risk amounts (Continued)

Differences and linkage between scopes of accounting consolidation and regulated consolidation

Current Period			**Carrying values of items in accordance with Turkish Accounting Standards**				
Assets	**Carrying values in financial statements prepared as per TAS** [1]	**Carrying values in consolidated financial statements prepared as per TAS**	**Subject to credit risk**	**Subject to counterparty credit risk**	**Securitization Positions**	**Subject to market risk**	**Not subject to capital requirements or subject to deduction from capital**
Cash and balances at Central Bank	2.942.305	2.877.323	2.880.425	-	-	-	-
Banks	5.256.480	7.901.632	7.553.586	390.595	-	-	-
Money Market Placements	7.424.015	1.952.043	1.945.961	6.668	-	-	-
Financial Assets at Fair Value Through Profit or Loss	409.358	1.650.591	1.358.675	-	-	307.967	-
Financial Assets at Fair Value Through Other Comprehensive Income	9.883.962	18.304.526	18.400.503	1.985.056	-	-	-
Financial Assets Measured at Amortized Cost	18.880.650	24.199.515	24.219.715	3.702.276	-	-	-
Derivative Financial Assets	1.934.697	3.057.708		3.057.708	-	730.933	-
Loans	122.766.926	160.921.050	168.866.581	-	-	-	-
Leasing Receivables	452.370	299.706	417.553	-	-	-	-
Factoring Receivables	-	-	-	-	-	-	-
Assets Held for Sale and Discontinued Operations	-	-	-	-	-	-	-
Associates (net)	2.822.284	4.201.492	4.201.492	-	-	-	1.137.295
Subsidiaries (net)	-	133.444	133.444	-	-	-	-
Joint-Ventures (net)	-	26.606	26.606	-	-	-	-
Tangible Assets (net)	2.237.255	3.156.735	3.151.173	-	-	-	5.562
Intangible Assets (net)	7.113	8.223	-	-	-	-	8.223
Investment Properties (net)	1.430.350	2.403.800	2.403.800	-	-	-	-
Tax Assets	691	2.679	2.679	-	-	-	-
Deffered Tax Assets	1.480.605	312.481	312.481	-	-	-	-
Other Assets	2.659.887	6.119.428	3.057.571	1.020.148	-	-	2.062.453
Total Assets	**180.588.948**	**237.530.551**	**238.932.245**	**10.162.451**	**-**	**1.038.900**	**3.213.533**

[1] Pursuant to the sixth paragraph of Article 5 of the Communiqué on the Preparation of Consolidated Financial Statements of Banks, the financial statements prepared as of 30 June 2023 were used.

[2] The amounts of the financial instruments included in the trading accounts within the scope of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks are included in accordance with the IAS.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Linkages between financial statements and risk amounts (Continued)

Differences and linkage between scopes of accounting consolidation and regulated consolidation (Continued)

Current Period			**Carrying values of items in accordance with Turkish Accounting Standards**				
Liabilities	**Carrying values in financial statements prepared as per TAS** [1]	**Carrying values in consolidated financial statements prepared as per TAS**	**Subject to credit risk**	**Subject to counterparty credit risk**	**Securitization Positions**	**Subject to market risk**	**Not subject to capital requirements or subject to deduction from capital**
Deposits	-	-	-	-	-	-	-
Funds Borrowed	106.710.140	124.002.505	-	717.434	-	-	123.285.071
Money Market Funds	3.727.880	6.133.453	-	3.279.614	-	-	2.853.839
Securities Issued	34.148.450	53.512.352	-	-	-	-	53.512.352
Funds	1.482.480	683.899	-	-	-	-	683.899
Financial Liabilities at Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Derivative Financial Liabilities	1.148.158	1.298.535	-	617.723	-	612.987	74.905
Factoring Payables	-	-	-	-	-	-	-
Lease Payables	39.250	41.552	-	-	-	-	41.552
Provisions	1.928.404	2.405.013	-	-	-	-	2.405.013
Current Tax Liability	866.968	457.912	-	-	-	-	457.912
Deffered tax Liability	-	334.512	-	-	-	-	334.512
Liabilities for Assets Held for Sale and Discontinued Operations (net)	-	-	-	-	-	-	-
Subortinated Debts	6.043.090	10.800.864	-	-	-	-	10.800.864
Other Liabilities	2.569.701	4.705.685	-	2.517.413	-	-	2.189.841
Shareholders' Equity	21.924.427	33.152.700	-	-	-	-	33.152.700
Total Liabilities	**180.588.948**	**237.530.551**	-	**7.132.184**	-	**612.987**	**229.792.460**

[1] Pursuant to the sixth paragraph of Article 5 of the Communiqué on the Preparation of Consolidated Financial Statements of Banks, the financial statements prepared as of 30 June 2023 were used.

[2] The amounts of the financial instruments included in the trading accounts within the scope of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks are included in accordance with the IAS.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Linkages between financial statements and risk amounts (continued)

Differences and linkage between scopes of accounting consolidation and regulated consolidation (continued)

Prior Period			**Carrying values of items in accordance with Turkish Accounting Standards**				
Assets	**Carrying values in financial statements prepared as per TAS [1]**	**Carrying values in consolidated financial statements prepared as per TAS**	**Subject to credit risk**	**Subject to counterparty credit risk**	**Securitization Positions**	**Subject to market risk [2]**	**Not subject to capital requirements or subject to deduction from capital**
Cash and Balances at Central Bank	3.646.776	2.942.305	2.942.825	-		-	-
Financial Assets Held for Trading	1.368.127	5.256.480	5.129.319	290.472		-	-
Financial Assets at Fair Value through Profit and Loss	1.498.583	7.424.016	7.423.560	828		828	-
Bank	766.537	409.358	263.352	-		161.997	-
Money Market Placements	9.784.586	9.766.338	9.862.173	919.660		-	-
Financial Assets Available-for-Sale (net)	16.533.033	18.880.649	18.894.112	2.618.244		-	-
Loans and Receivables	3.680.156	1.934.697	-	1.934.697		1.005.504	-
Factoring Receivables	105.325.101	123.032.943	131.216.811	-		-	-
Investment Held-to-Maturity (net)	455.675	379.739	452.370	-		-	-
Investment in Associates (net)	-	-	-	-		-	-
Investment in Subsidiaries (net)	-	-	-	-		-	-
Joint-Ventures (net)	1.888.639	2.825.834	2.825.834	-		-	765.827
Finance Lease Receivables	-	101.016	101.016	-		-	-
Derivative Financial Assets Held for Risk Management	-	13.058	13.058	-		-	-
Tangible Assets (net)	1.556.829	2.237.255	2.233.970	-		-	3.285
Intangible Assets (net)	8.814	8.118	-	-		-	8.118
Investment Properties	1.012.615	1.430.350	1.430.350	-		-	-
Tax Assets	248	691	691	-		-	-
Assets Held for Sale and Discontinued Operations (net)	567.469	1.480.605	1.480.605	-		-	-
Other Assets	456.027	2.790.400	1.013.241	70.926		-	1.781.124
Total Assets	**148.549.215**	**180.913.852**	**185.283.287**	**5.834.827**		**1.168.329**	**2.558.354**

[1] The consolidated financial statements prepared in accordance with the sixth paragraph of the Article 5 in the Communique on Preparation of Consolidated Financial Statements of the Banks as at June 30, 2022 are used.

[2] The amount of the financial instruments included in the trading accounts in accordance with TAS within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks".

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Linkages between financial statements and risk amounts (continued)

Differences and linkage between scopes of accounting consolidation and regulated consolidation (continued)

Prior Period			Carrying values of items in accordance with Turkish Accounting Standards				
Liabilities	**Carrying values in financial statements prepared as per TAS [1]**	**Carrying values in consolidated financial statements prepared as per TAS**	**Subject to credit risk**	**Subject to counterparty credit risk**	**Securitization Positions**	**Subject to market risk [2]**	**Not subject to capital requirements or subject to deduction from capital**
Deposits	-	-	-	-	-	-	-
Funds Borrowed	94.962.117	106.851.110	-	-	-	-	106.851.110
Money Market Funds	5.003.224	3.727.880	-	2.479.631	-	-	1.248.249
Securities Issued	20.082.535	34.148.450	-	-	-	-	34.148.450
Funds	728.332	1.482.480	-	-	-	-	1.482.480
Financial Liabilities at Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Derivative Financial Liabilities	1.441.631	1.148.158	-	297.249	-	856.806	14.534
Factoring Payables	-	-	-	-	-	-	-
Lease Payables	26.594	39.250	-	-	-	-	39.250
Provisions	1.656.767	2.081.013	-	-	-	-	2.081.013
Current Tax Liability	212.457	971.818	-	-	-	-	971.818
Deffered tax Liability	-	-	-	-	-	-	-
Liabilities for Assets Held for Sale and Discontinued Operations (net)	-	-	-	-	-	-	-
Subortinated Debts	5.314.139	6.043.090	-	-	-	-	6.043.090
Other Liabilities	2.264.432	2.595.551	-	1.622.295	-	-	973.256
Shareholders' Equity	16.856.987	21.825.052	-	-	-	-	21.825.052
Total Liabilities	**148.549.215**	**180.913.852**	-	**4.399.175**	**-**	**856.806**	**175.678.302**

[1] The consolidated financial statements prepared in accordance with the sixth paragraph of the Article 5 in the Communique on Preparation of Consolidated Financial Statements of the Banks as at June 30, 2022 are used.
[2] The amount of the financial instruments included in the trading accounts in accordance with TAS within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks", has been included.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Linkages between financial statements and risk amounts (continued)

The differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

	Current Period	Total	Credit Risk [1]	Securitization Positions	Counterparty credit risk [1]	Market risk [2]
1	Asset carrying value amount under scope of regulatory consolidation	237.530.551	238.932.239	-	10.162.451	1.038.900
2	Liabilities carrying value amount under regulatory scope of consolidation	237.530.551		-	7.132.184	612.987
	Total net amount		**238.932.239**	-	**3.030.267**	**425.913**
3	Off-balance sheet amounts	227.290.015	16.189.693	-	557.124	-
4	Differences due to prudential filters	-	(53.413.305)	-	(742.159)	1.291.600
	Risk Amounts	-	**201.708.628**	-	**2.845.232**	**1.717.513**

[1] The risk amount before the Credit Risk Mitigation are given in credit risk and the counterparty credit risk.
[2] The valuation amounts of financial instruments included in trading accounts in accordance with TAS are included.

	Prior Period	Total	Credit Risk [1]	Securitization Positions	Counterparty credit risk [1]	Market risk [2]
1	Asset carrying value amount under scope of regulatory consolidation	180.913.852	185.283.287	-	5.834.827	1.168.329
2	Liabilities carrying value amount under regulatory scope of consolidation	180.913.852	-	-	4.399.175	856.806
	Total net amount		**185.283.287**	-	**1.435.652**	**311.523**
3	Off-balance sheet amounts	162.490.806	10.572.117	-	516.854	-
4	Differences due to prudential filters	-	(60.742.260)	-	(303.250)	1.592.052
	Risk Amounts	-	**135.113.144**	-	**1.649.256**	**1.903.575**

[1] The risk amount before the Credit Risk Mitigation are given in credit risk and the counterparty credit risk.
[2] Gross position amounts included in the calculation of market risk are taken as basis.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Linkages between financial statements and risk amounts (continued)

The differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

There is no major differences between the financial and regulatory scope of consolidation.

Difference between the amounts of assets within the scope of legal consolidation as valued in accordance with TAS and credit risk exposures results from the transactions which are not subject to credit risk. Difference between off-balance sheet exposures and credit risk exposures results from the application of credit conversion factors to off-balance sheet exposures in line with the Regulation on the Measurement and Assessment of the Capital Adequacy of Banks.

The Parent Bank takes into consideration the principles stipulated in Annex 3 of the Regulation on the Measurement and Assessment of the Capital Adequacy of Banks for all positions concerning its trading and banking book to be considered in the measurement of its fair value and capital adequacy. The Bank generally uses fair value as valuation methodology. Valuation methods are covered in detail under the title "VIII. Disclosures on financial assets" in section "Accounting Policies" of section three of the report.

Explanations on credit risk

General qualitative information on credit risk

Credit risk is the possibility of incurring losses due to the credit fulfill customer or the counterparty, with whom the Bank has made an agreement with, does not fulfill its obligations appropriately or is not able to meet these obligations. While the largest and most visible source of credit risk consists of the loans extended by the bank, other assets included in balance sheets, non-cash loans and commitments are also taken into consideration within the scope of credit risk.

Credit risk is measured and managed in accordance with the Credit Risk Policies developed within the scope of the Risk Management Policies of the Bank. In this sense, the structure and characteristics of a loan, the provisions of loan agreements and financial conditions, structure of the risk profile until the end of maturity in parallel with potential market trends, guarantees and collaterals, internal risk ratings and potential changes with regard to the ratings in the process of risk exposure and concentrations (a single company, a group of affiliated companies, sector, country etc.) are taken into consideration. Compliance with the limits and risk appetite levels determined by the Board of Directors is monitored. Credit risk is managed by loan allocation and loan monitoring units in the Bank. Creditworthiness of loan customers is monitored and reviewed on a regular basis. Credit limits are set by the Board of Directors, the credit committee of the bank and the loan management. The Bank receives a sufficient amount of collateral in return for the loans extended thereby and its other receivables.

Credit risk is measured, monitored and reported by the Risk Management Department. Concentrations in the loan portfolio, loan quality of the portfolio, collateral structure, measurements concerning capital adequacy, stress tests and scenario analyses and the level of compliance with limits are regularly reported to the Board of Directors and the senior management.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations on credit risk

Credit quality of assets (continued)

		Gross Carrying Value in Financial Statements Prepared in Accordance with Turkish Accounting Standards (TAS)		Allowances/amortization and impairments	Net Values (a+b+c)
Current Period		**Defaulted (a)**	**Non-defaulted (b)**	**(c)**	**(d)**
1	Loans	3.680.487	201.048.231	8.090.050	196.638.668
2	Debt Securities	-	41.508.924	122.163	41.386.761
3	Off-balance sheet exposures	8.306	41.725.002	117.571	41.615.737
4	**Total**	**3.688.793**	**284.282.157**	**8.329.784**	**279.641.166**

		Gross Carrying Value in Financial Statements Prepared in Accordance with Turkish Accounting Standards (TAS)		Allowances/amortization and impairments	Net Values (a+b+c)
Prior Period		**Defaulted (a)**	**Non-defaulted (b)**	**(c)**	**Defaulted (a)**
1	Loans	3.946.128	161.130.231	8.266.135	156.810.224
2	Debt Securities	-	27.833.768	90.302	27.743.466
3	Off-balance sheet exposures	265.751	24.635.111	194.865	24.705.997
4	**Total**	**4.211.879**	**213.599.110**	**8.551.302**	**209.259.687**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations related to credit risk (continued)

Changes in stock of default loans and debt securities

	Current Period	Balance
1	**Defaulted loans and debt securities at end of the previous reporting**	**4.211.879**
2	Loans and debt securities that have defaulted since the last reporting period	270.815
3	Receivables back to non-defaulted status	-
4	Amounts written off (-)	-
5	Other changes [1]	(793.901)
6	**Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)**	**3.688.793**

	Prior Period	Balance
1	**Defaulted loans and debt securities at end of the previous reporting**	2.338.067
2	Loans and debt securities that have defaulted since the last reporting period	2.246.107
3	Receivables back to non-defaulted status	-
4	Amounts written off (-)	84.611
5	Other changes [1]	(287.684)
6	**Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)**	**4.211.879**

[1] It includes collections from receivables that have gone into default during the period.

Additional disclosure related to the credit quality of assets

The Parent Bank considers stage 2 loans that collections of principal and interest payments have not been realized on due dates as past due in accordance with the "Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables".

Loans that collections of principal and interest payments are over due more than 90 days and losing creditworthiness is considered by the Parent Bank as impaired or provisioned loans.

General loan loss provision is calculated for past due loans; Specific provision is calculated for impaired loans. The methods used in determining the provision amounts are explained in Section Three Note VIII.

Refinancing and restructuring; is the replacement of one or several loans extended by the Parent Bank to a new loan that will cover the principal or interest payment in whole or in part due to the financial distress expected by the customer or the group in the present or future, or change the terms in the current loans to ensure that the debt can be paid.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations related to consolidated credit risk (continued)

Additional disclosure related to the credit quality of assets (continued)

Breakdown of receivables according to major regions, sectors and remaining maturities

Breakdown of receivables by major regions, sectors and remaning maturities is included in notes under Section Four, Note II, "Explanations Related to Consolidated Credit Risk."

Impaired loans on the basis of major regions and sectors and amounts written off corresponding provisions

On the basis of geographical regions, the Bank's reserve receivables consist of domestic receivables. On a sector-by-sector basis, the Bank's reserve receivables and related reserve amounts are included in the note "Miscellaneous information according to important sectors or counterparty type" under "Disclosures Regarding Consolidated Credit Risk" in Chapter II of Chapter Four. 100% provision is allocated for these receivables. As of December 31, 2024, there are no written off from receivables. (December 31, 2023: TL 84.611).

The aging analysis of the receivables past due

The aging analysis of the receivables past due is presented in footnote under Section Four II. "Explanations related to consolidated credit risk".

Credit Risk Mitigation

Qualitative disclosure on credit risk mitigation techniques

In valuations made within the scope of credit risk mitigation techniques, the methods used in relation to the valuation and management of collateral are carried out in parallel with the Communiqué on Credit Risk Reduction Techniques. Offsetting is not used as credit risk reduction technique.

Financial collaterals are assessed on a daily basis at the Parent Bank. Depending on the use of the comprehensive financial guarantee method, the risk-mitigating effects of the collateral are taken into account by means of standard volatility adjustments. Valuations of real estate mortgages used in capital adequacy calculations are regularly reviewed. The value of the real estates is determined by the valuation institutions authorized by the CMB.

The main collateral that the Bank can use within the scope of credit risk mitigation techniques are; financial collateral, guarantees and mortgages. In the reporting conducted as of December 31, financial guarantees, guarantees and mortgages were used as credit risk reduction in the calculation of the amount based on consolidated credit risk.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations related to credit risk (continued)

Credit risk mitigation techniques - Standard approach

Current Period	Exposures unsecured: value in accordance with TAS.	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
1 Loans	183.316.700	12.526.307	3.836.066	699.686	9.326	-	-
2 Debt securities	41.482.738	-	-	-	-	-	-
3 **Total**	**224.799.438**	**12.526.307**	**3.836.066**	**699.686**	**9.326**	-	-
4 Of which default	3.680.487	-	-	-	-	-	-

Prior Period	Exposures unsecured: value in accordance with TAS.	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
1 Loans	151.320.005	4.440.520	1.500.712	957.901	14.696	-	-
2 Debt securities	27.839.301	-	-	-	-	-	-
3 **Total**	**179.159.306**	**4.440.520**	**1.500.712**	**957.901**	**14.696**	-	-
4 Of which default	3.946.128	-	-	-	-	-	-

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations related to credit risk (continued)

Credit risk under standard approach (continued)

Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk

The related disclosures are included in footnotes "Credit risk under standard approach" under Section Four, Note II "Explanations related to consolidated credit risk".

Credit risk exposure and credit risk mitigation effects

	Current Period	Exposures before credit conversion factor and credit risk mitigation		Exposures post credit conversion factor and credit risk mitigation		Risk weighted amount and risk weighted amount density	
	Risk Groups	**On-Balance sheet amount**	**Off-balance sheet amount**	**On-Balance sheet amount**	**Off-balance sheet amount**	**Risk weighted amount**	**Risk weighted amount density**
1	Exposures to sovereigns and their central banks	39.038.328	-	39.040.549	-	-	0%
2	Exposures to regional and local governments	-	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	326	232.156	326	46.431	46.757	100%
4	Exposures to multilateral development banks	106.747	-	106.747	-	-	0%
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to banks and securities firms	9.697.224	4.953.791	9.702.456	1.030.086	2.976.811	28%
7	Exposures to corporates	120.166.360	24.455.013	120.158.907	11.705.174	123.199.715	93%
8	Retail exposures	-	-	-	-	-	-
9	Exposures secured by residental real estate property	-	-		-	-	-
10	Exposures secured by commercial real estate property	3.198.999	-	3.198.999	-	1.599.500	50%
11	Past due receivables	3.680.195	-	457.704	-	228.852	50%
12	Exposures in higher-risk categories	107	10.956	107	2.613	2.003	74%
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Equity investments in the form of collective investment undertakings	1.627.653	-	1.627.654	-	1.627.653	100%
16	Other exposures	10.714.453	840.376	10.347.631	109.801	10.457.432	100%
17	Equity investments	4.173.443	-	4.173.443	-	9.080.099	218%
18	**Total**	**192.403.835**	**30.492.292**	**188.814.523**	**12.894.105**	**149.218.822**	**74**%

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations related to credit risk (continued)

Credit risk under standard approach (continued)

Credit risk exposure and credit risk mitigation effects (continued)

	Prior Period	Exposures before credit conversion factor and credit risk mitigation		Exposures post credit conversion factor and credit risk mitigation		Risk weighted amount and risk weighted amount density	
	Risk Groups	On-Balance sheet amount	Off-balance sheet amount	On-Balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density
1	Exposures to sovereigns and their central banks	25.953.302	-	25.958.385	-	-	0%
2	Exposures to regional and local governments	-	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	-	7.897	-	1.579	1.579	100%
4	Exposures to multilateral development banks	39.951	-	39.951	-	-	0%
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to banks and securities firms	14.467.953	614.255	12.700.143	144.180	3.134.475	24%
7	Exposures to corporates	79.346.109	12.722.296	79.334.904	6.579.557	80.818.768	94%
8	Retail exposures	-	-	-	-	-	-
9	Exposures secured by residental real estate property	-	-	-	-	-	-
10	Exposures secured by commercial real estate property	952.426	-	952.426	-	476.213	50%
11	Past due receivables	3.945.792	-	866.437	-	433.218	50%
12	Exposures in higher-risk categories	82	170.429	82	57.187	57.803	101%
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Equity investments in the form of collective investment undertakings	333.625	-	333.625	-	333.625	100%
16	Other exposures	5.701.255	363.214	5.260.961	103.663	5.365.360	100%
17	Equity investments	2.780.064	-	2.780.064	-	6.006.429	216%
18	**Total**	**133.520.559**	**13.878.091**	**128.226.978**	**6.886.166**	**96.627.470**	**72%**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations related to credit risk (continued)

Credit risk under standardised approach (continued)

Exposures by asset classes and risk weights

	Current Period												
	Risk Groups/Risk Weight	**0%**	**10%**	**20%**	**25%**	**50% Secured by Real Estate Property**	**75%**	**100%**	**150%**	**200%**	**250%**	**500%**	**Total Risk Amount (after CCR and CVA)**
1	Exposures to sovereigns and their central banks	39.040.549	-	-	-	-	-	-	-	-	-	-	39.040.549
2	Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	-	46.757	-	-	-	-	46.757
4	Exposures to multilateral development banks	106.747	-	-	-	-	-	-	-	-	-	-	106.747
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and securities firms	-	-	7.987.409	-	2.731.607	-	13.526	-	-	-	-	10.732.542
7	Exposures to corporates	-	-	4.403.398	-	10.766.273	-	116.211.432	482.978	-	-	-	131.864.081
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by property	-	-	-	-	3.198.999	-	-	-	-	-	-	3.198.999
10	Past due receivables	-	-	-	-	457.704	-	-	-	-	-	-	457.704
11	Exposures in higher-risk categories	-	-	-	-	2.077	-	-	643	-	-	-	2.720
12	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-
13	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
14	Equity investments in the form of collective investment undertakings	-	-	-	-	-	-	1.627.654	-	-	-	-	1.627.654
15	Equity investments	-	-	-	-	-	-	902.340	-	-	3.271.103	-	4.173.443
16	Other exposures	-	-	-	-	-	-	10.457.432	-	-	-	-	10.457.432
17	**Total**	**39.147.296**	**-**	**12.390.807**	**-**	**17.156.660**	**-**	**129.259.141**	**483.621**	**-**	**3.271.103**	**-**	**201.708.628**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations related to credit risk (continued)

Credit risk under standardised approach (continued)

Exposures by asset classes and risk weights

	Prior Period **Risk Groups/Risk Weight**	**0%**	**10%**	**20%**	**25%**	**50% Secured by Real Estate Property**	**75%**	**100%**	**150%**	**200%**	**250%**	**500%**	**Total Risk Amount (after CCR and CVA)**
1	Exposures to sovereigns and their central banks	25.958.385	-	-	-	-	-	-	-	-	-	-	25.958.385
2	Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	-	1.579	-	-	-	-	1.579
4	Exposures to multilateral development banks	39.951	-	-	-	-	-	-	-	-	-	-	39.951
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and securities firms	-	-	10.990.990	-	1.834.112	-	19.221	-	-	-	-	12.844.323
7	Exposures to corporates	-	-	1.748.313	-	8.155.585	-	75.902.227	-	17.532	-	90.804	85.914.461
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by property	-	-	-	-	952.426	-	-	-	-	-	-	952.426
10	Past due receivables	-	-	-	-	866.437	-	-	-	-	-	-	866.437
11	Exposures in higher-risk categories	-	-	-	-	3	-	56.196	1.070	-	-	-	57.269
12	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-
13	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
14	Equity investments in the form of collective investment undertakings	-	-	-	-	-	-	333.625	-	-	-	-	333.625
15	Equity investments	-	-	-	-	-	-	629.154	-	-	2.150.910	-	2.780.064
16	Other exposures	1	-	-	-	-	-	5.363.149	1.474	-	-	-	5.364.624
17	**Total**	**25.998.337**	**-**	**12.739.303**	**-**	**11.808.563**	**-**	**82.305.151**	**2.544**	**17.532**	**2.150.910**	**90.804**	**135.113.144**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Disclosures on counterparty credit risk (CCR)

Qualitative disclosures on CCR (continued)

Counterparty credit risk is managed by monitoring the concentrations at various levels with regard to counterparty credit risks, the capital requirement imposed by the counterparty credit risk and the limits set by the Board of Directors for counterparty transactions. Moreover, the ratio of the counterparty credit risk exposure to total risk-weighted assets has been identified as a risk appetite indicator.

Counterparty credit risk resulting from repurchase transactions, securities and commodities lending transactions and derivatives transactions are calculated within the framework of Annex 2 of the Regulation on the Measurement and Assessment of the Capital Adequacy of Banks. Fair Value Valuation Method is applied for derivatives transactions. Risk exposure of derivative transactions is equal to 1,4 times the sum of replacement cost and potential credit risk amount. Besides, capital requirement is also calculated for credit valuation adjustment (CVA) risk in relation to derivatives transactions. For repurchase and securities lending transactions risk amount is calculated considering volatility and credit quality level.

Derivatives transactions executed with counterparties are carried out within the scope of "ISDA" and "CSA" agreements. These agreements contain the same collateralization provisions for our Bank and counterparties and daily collateral settlement is performed.

Analysis of counterparty credit risk (CCR) exposure by approach

	Current Period	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory exposure at default	Exposure at default post Credit risk mitigation	Risk weighted amount
1	Standard Approach to Counterparty Credit Risk Measurement (for derivatives)	203.109	294.014	-	1,4	695.972	307.683
2	Internal Model Method (for derivatives and securities financing transactions)	-	-	-	-	-	-
3	The simple method used for KRA is the financial collateral method (for securities financing transactions)	-	-	-	-	-	-
4	Comprehensive financial collateral method used for KRA (for securities financing transactions)	-	-	-	-	943.032	867.394
5	Value at risk for securities financing transactions	-	-	-	-	-	-
6	**Total**	-	-	-	-	-	**1.175.077**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Disclosures on counterparty credit risk (CCR) (continued)

Analysis of counterparty credit risk (CCR) exposure by approach (continued)

	Prior Period	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory exposure at default	Exposure at default post Credit risk mitigation	Risk weighted amount
1	Standard Approach to Counterparty Credit Risk Measurement (for derivatives)	291.836	282.089	-	1,4	803.495	326.237
2	Internal Model Method (for derivatives and securities financing transactions)	-	-	-	-	-	-
3	The simple method used for KRA is the financial collateral method (for securities financing transactions)	-	-	-	-	-	-
4	Comprehensive financial collateral method used for KRA (for securities financing transactions)	-	-	-	-	753.825	622.951
5	Value at risk for securities financing transactions	-	-	-	-	-	-
6	**Total**	-	-	-	-	-	**949.188**

Credit valuation adjustment (CVA) for capital charge

	Current Period	Exposure at default post-credit risk mitigation techniques	Risk weighted amount
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) VaR component (including the 3*multiplier)	-	-
2	(ii) Stressed VaR component (including the 3*multiplier)	-	-
3	All portfolios subject to the Standardised CVA capital charge	695.972	179.483
4	**Total subject to the CVA capital charge**	**695.972**	**179.483**

	Prior Period	Exposure at default post-credit risk mitigation techniques	Risk weighted amount
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) VaR component (including the 3*multiplier)	-	-
2	(ii) Stressed VaR component (including the 3*multiplier)	-	-
3	All portfolios subject to the Standardised CVA capital charge	803.495	217.668
4	**Total subject to the CVA capital charge**	**803.495**	**217.668**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Explanations on counterparty credit risk (CCR)

Standardised approach - Counterparty credit risk exposures by regulatory portfolio and risk weights

Current Period Risk Weight Risk Groups	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure[1]
Exposures to sovereigns and their central banks	-	-	-	-	-	-	-	-	-
Exposures to regional and local governments	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	12.828	-	-	12.828
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and securities firms	-	-	232.286	536.729	-	-	-	-	769.015
Exposures to corporates	-	-	191	19.167	-	836.824	4	-	856.186
Retail exposures	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	975	-	-	975
Total	**-**	**-**	**232.477**	**555.896**	**-**	**850.627**	**4**	**-**	**1.639.004**

[1] Total Credit Exposures Amount: The amount which is related to capital adequacy calculation after implementation of counter party credit risk mitigation techniques

Prior Period Risk Weight Risk Groups	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure[1]
Exposures to sovereigns and their central banks	149.132	-	-	-	-	-	-	-	149.132
Exposures to regional and local governments	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and noncommercial entities	-	-	-	-	-	44.675	-	-	44.675
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and securities firms	-	-	275.960	457.220	-	-	-	-	733.180
Exposures to corporates	-	-	3.525	13.604	-	613.204	-	-	630.333
Retail exposures	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-	-
Total	**149.132**	**-**	**279.485**	**470.824**	**-**	**657.879**	**-**	**-**	**1.557.320**

[1] Total Credit Exposures Amount: The amount which is related to capital adequacy calculation after implementation of counter party credit risk mitigation techniques

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Disclosures on counterparty credit risk (CCR) (continued)

Collaterals used for CCR

Current Period	Derivative Financial Instrument Colleterals				Other Instrument Colleterals	
	Collaterals received		Collaterals given			
	Segregated	Unsegregated	Segregated	Unsegregated	Collaterals received	Collaterals given
Cash - domestic currency	-	-	-	-	1.960.346	-
Cash - foreign currency	1.714.829	-	29.697	-	1.511.243	-
Domestic sovereign debt	-	-	-	-	6.668	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**1.714.829**	**-**	**29.697**	**-**	**3.478.257**	**-**

Prior Period	Derivative Financial Instrument Colleterals				Other Instrument Colleterals	
	Collaterals received		Collaterals given			
	Segregated	Unsegregated	Segregated	Unsegregated	Collaterals received	Collaterals given
Cash - domestic currency	-	-	-	-	254.712	-
Cash - foreign currency	944.580	-	99.783	-	1.404.555	-
Domestic sovereign debt	-	-	-	-	828	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**944.580**	**-**	**99.783**	**-**	**1.660.095**	**-**

Credit derivatives

None (December 31, 2023: None).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Exposure to central counterparties (CCP)

	Current Period		Prior Period	
	Exposure at Default Post - CRM	RWA	Exposure at Default Post - CRM	RWA
Exposure to Qualified Central Counterparties (QCCPs) Total	1.206.228	19.243	219.405	2.768
Exposures for trades at QCCPs (excluding initial margin and default fund contributions) of which	886.426	17.729	91.936	1.838
(i) OTC Derivatives	127.608	2.552	91.924	1.838
(ii) Exchange-traded Derivatives	82.841	1.657	-	-
(iii) Securities financing transactions	675.977	13.520	12	-
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	270.301	-	81.017	-
Non-segregated initial margin	-	-	-	-
Pre-funded default fund contributions	49.501	1.514	46.452	930
Unfunded default fund contributions	-	-	-	-
Exposures to non- Central Counterparties (QCCPs) Total	-	-	-	-
Exposures for trades at non QCCPs (excluding initial margin and default fund contributions) of which	-	-	-	-
(i) OTC Derivatives	-	-	-	-
(ii) Exchange-traded Derivatives	-	-	-	-
(iii) Securities financing transactions	-	-	-	-
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	-	-	-	-
Non-segregated initial margin	-	-	-	-
Pre-funded default fund contributions	-	-	-	-
Unfunded default fund contributions	-	-	-	-

Explanations on securitizations

None (December 31, 2023: None).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Disclosures on market risk

Qualitative information to be disclosed to public concerning market risk

Market risk is the possibility of a risk being incurred by the portfolio or position accepted within the scope of trading portfolio as a result of interest rates, equity prices, commodity prices in financial markets and exchange rate fluctuations. The purpose of market risk management is to manage, within the appropriate parameters, the risks which the Bank might be exposed to with a proactive approach and thus maximize the Bank's risk adjusted return.

Interest rate, exchange rate, stock and commodity price risks are the major elements of market risk. In order to control these risks in a healthy manner the core principal is to manage transactions carried out in money and capital markets such that they do not form concentration in terms of instrument, maturity, currency, interest type and other similar parameters, and in a "well diversified" manner in accordance with their risk levels. Moreover, the creditworthiness of issuers of financial instruments causing market risk is monitored carefully. Market Risk is managed by using consistent risk measurements and criteria fluctuation level of interest rates and/or prices and Value at Risk calculations, establishing appropriate procedures for control and monitoring compliance with identified risk limits and risk appetite.

Market risk measurement, monitoring and reporting is carried out by the Risk Management Department. In the calculation of the market risk, the Bank uses two basic approaches as the BRSA Standard Method and advanced method which are Value at Risk (VaR) and Expected Shortfall approachs. The standard method is applied in the calculation of capital adequacy on a monthly basis. VaR calculations are performed periodically and are reported to the senior management. Monte Carlo simulation method is used for VaR calculations. The VaR model is based on the assumptions of a 99% confidence interval and a 1-day holding period, and the accuracy of the model is assured by back-testing which is based on the comparison of calculated VaR Value against incurred losses. Besides, stress tests are conducted so as to identify the impacts on VaR which will be highly damaging, although their occurrence is a low possibility.

In addition to the activities of the Risk Management Department, the Treasury Control Unit also reports daily positions and limit use status to the senior management.

Market Risk-standard approach

		Risk Weighted Amount (RWA)	
		Current Period	**Prior Period**
	Outright products	-	-
1	Interest rate risk (general and specific)	441.388	565.600
2	Equity risk (general and specific)	79.738	70.287
3	Foreign exchange risk	1.196.137	1.267.688
4	Commodity risk	-	-
	Options		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisation	-	-
9	**Total**	**1.717.263**	**1.903.575**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

Disclosure on operational risk (continued)

Information to be disclosed to the public regarding operational risk

Operational Risk Exposure is measured in the Bank once a year by using the Basic Indicator Method based on the "Regulation on the Measurement and Assessment of the Capital Adequacy of Banks".

	31/12/2021	31/12/2022	31/12/2023	Total/No. of years of positive gross	Rate (%)	Total
Gross Income	3.657.714	8.518.778	13.879.445	8.685.312	15	1.302.797
Capital Requirement for Operational Risk (Total*12,5)						**16.284.961**

	31/12/2020	31/12/2021	31/12/2022	Total/No. of years of positive gross	Rate (%)	Total
Gross Income	2.245.130	3.657.714	8.518.778	4.807.207	15	721.081
Capital Requirement for Operational Risk (Total*12,5)						**9.013.514**

Disclosures on interest rate risk resulting from banking book

It is monthly calculated and reported within the scope of the Standard Shock Measurement and Evaluation Method of the Interest Rate Risk in Banking Accounts Duration.

The economic valuation differences of the Bank arising from fluctuations on interest rates, in different currencies that is calculated in accordance with the communiqué are presented in the table below.

	Current Period Currency	Applied Shock (+/- x basis point)	Revenue/Loss	Revenue/Shareholders' Equity - Loss/Shareholders' Equity
1	TL	(+) 500 basis point	(566.668)	(1,29)%
2	TL	(-) 400 basis point	520.706	1,19%
3	EURO	(+) 200 basis point	(353.819)	(0,81)%
4	EURO	(-) 200 basis point	376.076	0,86%
5	US Dollar	(+) 200 basis point	(723.867)	(1,65)%
6	USD Dollar	(-) 200 basis point	814.656	1,86%
	Total (for Negative Shocks)		**1.711.437**	**3,90%**
	Total (for Positive Shocks)		**(1.644.354)**	**(3,75)%**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations related to consolidated risk management (continued)

The economic valuation differences of the Bank arising from fluctuations on interest rates, in different currencies that is calculated in accordance with the communiqué are presented in the table below. (continued)

	Prior Period Currency	Applied Shock (+/- x basis point)	Revenue/Loss	Revenue/Shareholders' Equity - Loss/Shareholders' Equity
1	TL	(+) 500 basis point	(196.047)	(0,70)%
2	TL	(-) 400 basis point	182.517	0,66%
3	EURO	(+) 200 basis point	(97.266)	(0,35)%
4	EURO	(-) 200 basis point	112.645	0,40%
5	US Dollar	(+) 200 basis point	(938.321)	(3,37)%
6	US Dollar	(-) 200 basis point	1.085.996	3,90%
	Total (for Negative Shocks)		**1.381.158**	**4,97%**
	Total (for Positive Shocks)		**(1.231.634)**	**(4,43)%**

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosures related to the consolidated assets

1.a Information on cash and balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TP	**YP**	**TP**	**YP**
Cash in TL/Foreign Currency	-	-	1	-
Balances with the Central Bank of Turkey	772	2.879.653	8.682	2.934.142
Other	-	-	-	-
Total	**772**	**2.879.653**	**8.683**	**2.934.142**

	Current Period [1]		Prior Period	
	TP	**YP**	**TP**	**YP**
Unrestricted demand deposits	772	7.345	8.682	36.542
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
Other [2]	-	2.872.308	-	2.897.600
Total	**772**	**2.879.653**	**8.682**	**2.934.142**

[1] Expected credit loss amounting to TL 3.102 (December 31, 2023: TL 520) is allocated in "Balances with the Central Bank of Turkey".
[2] Expected credit loss amounting to TL 520 (December 31, 2022: TL 372) is allocated in "Balances with the Central Bank of Turkey".

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

As per the Communiqué numbered 2005/1 "Reserve Deposits" of the CBRT, banks keep reserve deposits at the CBRT for their TL and FC liabilities mentioned in the communiqué. Reserves are calculated and set aside every two weeks on Fridays for 14 days periods. The CBRT Required reserves of 2 May 2015 has started to pay interest to the Required reserves, reserve options and unrestricted account held in US dollars according to regulation released at 5 May 2015.

As per the "Communiqué on Amendments to be Made on Communiqué on Required Reserves" of Central Bank of Turkey, numbered 2011/11 and 2011/13, required reserves for Turkish Lira and Foreign currency liabilities are set at Central Bank of Turkey based on rates mentioned below. Reserve rates prevailing at December 31, 2024 are presented in table below:

Reserve Rates for Turkish Lira Liabilities (%)

Original Maturity	**Reserve Ratio**
Borrower Funds	0
Until 1 year maturity (1 year included)	8
1-3 year maturity (3 year included)	5,5
More than 3 year maturity	3
Securities issued by development and investment banks with a maturity of more than 1 year	0

Foreign Currency Liabilities Required Reserve Ratios (%)

Original Maturity	**Reserve Ratio**
Borrower Funds	25
Until 1 year maturity (1 year included)	21
1-2 year maturity (2 year included)	16
2-3 year maturity (3 year included)	11
3-5 year maturity (5 year included)	7
More than 5 year maturity	5

2 Information on financial assets at fair value through profit and loss:

2.a Information on financial assets designated at fair value through profit and loss given as collateral or blockage:

As of the reporting date, the Bank has no financial assets designated at fair value through profit and loss given as collateral or blockage (December 31, 2023: None).

2.b Information on financial assets designated at fair value through profit and loss given as repurchase agreements:

As of the reporting date, the Group has no financial assets designated at fair value through profit and loss subject to repurchase agreements (December 31, 2023: None).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

2 Information on financial assets at fair value through profit and loss: (Continued)

2.c Positive differences related to derivative financial assets:

	Current Period		Prior Period	
Derivative Instruments [1]	**TP**	**YP**	**TP**	**YP**
Forward Transactions	3.294	511	5.461	857
Swap Transactions	692.662	1.241.834	469.361	1.148.379
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	**695.956**	**1.242.345**	**474.822**	**1.149.236**

[1] Derivative Financial Assets for Hedging Purposes amounting to TL 1.119.407 are presented in the "Derivative Financial Assets" account (December 31, 2023: TL 310.639).

As part of its economic hedging strategy, the Parent Bank has implemented TL cross currency interest rate swap transactions in which the Parent Bank's default risk is the reference. These swap agreements are subject to a direct closing condition for both the Parent Bank and the counterparty, in the event of a credit default event (such as a non-payment) related to the Parent Bank, to cancel the amounts accrued in the contract and all future payments for both the Parent Bank and the counterparty. As of December 31, 2024, the market rediscount value of these swaps, which have a nominal amount of $ 25 million, is TL 551.146 and maturity is 2027. (December 31, 2023: The market rediscount value of swaps with a nominal amount of 70 million dollars is TL 401.197).

2.d Loans at Fair Value Through Profit or Loss:

As of December 31, 2024 there are no loans with fair value difference reflected in profit and loss. (31 December 2023: None).

3. Information on banks and foreign bank accounts

3.a Information on banks:

	Current Period [1]		Prior Period	
	TP	**YP**	**TP**	**YP**
Banks				
Domestic	98.215	6.455.397	198.512	4.368.862
Foreign	-	1.350.261	-	693.883
Branches and head office abroad	-	-	-	-
Total	**98.215**	**7.805.658**	**198.512**	**5.062.745**

[1] An expected loss provision of TL 2.239 (31 December 2023: TL 4.777) has been allocated to the "Banks" account.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

3. Information on banks and foreign bank accounts (continued)

3.b Information on banks and foreign bank accounts:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	4.471	109.204	-	-
USA and Canada	15.210	67.826	-	-
OECD Countries [1]	1.330.580	516.853	-	-
Off-shore banking regions	0	-	-	-
Other	0	-	-	-
Total	**1.350.261**	**693.883**	**-**	**-**

[1] OECD countries other than European Union countries, USA and Canada.

4. Available-for-sale financial assets subject to repurchase agreements:

4.a.1 Information on financial assets at fair value through other comprehensive income subject to repurchase agreements:

	Current Period		Prior Period	
	TP	YP	TP	YP
Government bonds	-	1.985.056	-	919.660
Treasury bills	-	-	-	-
Other government debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	**-**	**1.985.056**	**-**	**919.660**

4.a.2 Information on financial assets at fair value through other comprehensive income given as collateral or blockage:

As of balance sheet date, all financial assets at fair value through other comprehensive income given as collateral comprise of financial assets issued by the T.R. Undersecreteriat of Treasury. The carrying value of those assets is TL 5.366.843.(31 December 2023: 4.042.808 TL).

	Current Period		Prior Period	
	TP	YP	TP	YP
Share certificates	-	-	-	-
Bond, treasury bill and similar investment securities	4.271.767	1.095.076	3.149.373	893.435
Other	-	-	-	-
Total	**4.271.767**	**1.095.076**	**3.149.373**	**893.435**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

4. Information on financial assets at fair value through other comprehensive income (continued)

4.b Major types of financial assets at fair value through other comprehensive income:

Financial assets at fair value through other comprehensive income comprised of government bonds 63,43%, Eurobonds 27,35% and shares and other securities 9,22% (December 31, 2023: 37,57% government bonds, 52,85% Eurobonds, 9,58% shares and other securities).

4.c. Information on financial assets at fair value through other comprehensive income:

	Current Period	Prior Period
Debt securities	17.263.215	8.926.193
Quoted on a stock exchange	12.252.801	3.748.551
Unquoted	5.010.414	5.177.642
Share certificates	1.142.375	921.878
Quoted on a stock exchange	96.027	108.512
Unquoted	1.046.348	813.366
Impairment provision (-)	(101.064)	(81.733)
Other	**18.304.526**	**9.766.338**

The net book value of unquoted financial assets at fair value through other comprehensive income share certificates of the Group is TL 1.041.454 (December 31, 2023: TL 808.472).

5. Explanation on loans

5.a Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	307.580	-	597.442	-
Corporate shareholders	307.580	-	597.442	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	7.975	-	10.072	-
Total	**315.555**	**-**	**607.514**	**-**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

5. Explanation on loans (continued)

5.b Information on Standard and Close Monitoring loans and restructured Close Monitoring loans:

Current Period [1]		**Loans Under Close Monitoring**		
			Amendments on Conditions of Contract	
Cash Loans	**Standard Loans**	**Loans Not Subject to Restructuring**	**Loans with Revised Contract Terms**	**Refinance**
Non-specialized loans	151.163.749	-	11.004.983	-
Working Capital loans	25.148.155	-	4.186.792	-
Export loans	1.676.480	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	14.736.143	-	-	-
Consumer loans	7.975	-	-	-
Credit cards	-	-	-	-
Other	109.594.996	-	6.818.191	-
Specialized loans	-	-	-	-
Other receivables	3.017.363	-	-	-
Total	**154.181.112**	**-**	**11.004.983**	**-**

[1] According to Bank account plan purchasing Loans, amounting to TL 1.850.902 shown under "Working Capital Loans", due to the nature of "Investment" shown under the category "other" in the above footnote.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

5. Explanations on loans (continued)

5.b Information on Standard and Close Monitoring loans and restructured Close Monitoring loans: (continued):

Prior Period [(1)]		**Loans Under Close Monitoring**		
		Loans Not Subject to	**Amendments on Conditions of Contract**	
Cash Loans	**Standard Loans**	**Restructuring**	**Cash Loans**	**Refinance**
Non-specialized loans	112.977.913	6.023.402	6.744.619	-
Working Capital loans	15.824.843	218.923	4.185.837	-
Export loans	2.744.636	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	13.351.262	-	-	-
Consumer loans	10.072	-	-	-
Credit cards	-	-	-	-
Other	81.047.100	5.804.479	2.558.782	-
Specialized loans	-	-	-	-
Other receivables	1.524.750	-	-	-
Total	**114.502.663**	**6.023.402**	**6.744.619**	-

[(1)] According to Parent Bank account plan purchasing Loans, Fleet Leasing Credits, Refinancing Loans and Portfolio Transfer Credits amounting to TL 1.763.838 shown under "Working Capital Loans", due to the nature of "Investment" shown under the category "other" in the above footnote.

	Current Period		**Prior period**	
	Standard Loans	**Loans under Close Monitoring**	**Standard Loans**	**Loans under Close Monitoring**
12 Months Expected Credit Loss	957.906	-	1.207.821	-
Significant Increase in Credit Risk	-	3.882.690	-	3.968.988

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

5. Explanations on loans (continued)

5.c Loans according to their maturity structure:

		Loans Under Close Monitoring	
Current Period (*)	**Standard Loans**	**Nonrestructured**	**Restructured**
Short-term loans	6.772.032	-	1.488.930
Non-specialized loans	3.754.669	-	1.488.930
Specialized loans	-	-	-
Other receivables	3.017.363	-	-
Medium and Long Term Loans	147.409.080	-	9.516.053
Non-specialized loans	147.409.080	-	9.516.053
Specialized loans	-	-	-
Other receivables	-	-	-

(*) It does not include loans measured at fair value through profit/loss.

		Loans Under Close Monitoring	
Prior Period (*)	**Standard Loans**	**Nonrestructured**	**Restructured**
Short-term loans	8.306.883	218.923	2.041
Non-specialized loans	6.782.133	218.923	2.041
Specialized loans	-	-	-
Other receivables	1.524.750	-	-
Medium and Long Term Loans	106.195.780	5.804.479	6.742.578
Non-specialized loans	106.195.780	5.804.479	6.742.578
Specialized loans	-	-	-
Other receivables	-	-	-

(*) It does not include loans measured at fair value through profit/loss.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

5. Explanations on loans (continued)

5.d Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

Current Period	Short Term	Medium and Long Term	Total
Consumer Loans-TL	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans -Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Individual Credit Cards-FC	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Personnel Loans- TL	3.373	4.602	7.975
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	3.373	4.602	7.975
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards- TL	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Personnel Credit Cards-FC	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Overdraft Accounts- TL (Real Persons)	-	-	-
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	**3.373**	**4.602**	**7.975**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

5. Explanations on loans (continued)

5.d Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel (continued):

Prior Period	Short Term	Medium and Long Term	Total
Consumer Loans-TL	-	-	-
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans -Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Individual Credit Cards-FC	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Personnel Loans- TL	441	9.631	10.072
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	441	9.631	10.072
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards- TL	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Personnel Credit Cards-FC	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Overdraft Accounts- TL (Real Persons)	-	-	-
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	**441**	**9.631**	**10.072**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

5. Explanations on loans (continued)

5.e Information on commercial loans with instalments and corporate credit cards:

The Parent Bank has not granted any commercial loans with instalments and corporate credit cards as of the reporting date (December 31, 2023: None).

5.f Loans according to borrowers:

	Current Period	Prior Period
Public	3.102.769	1.328.082
Private	162.083.326	125.942.602
Total	**165.186.095**	**127.270.684**

5.g Domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	164.737.890	127.270.684
Foreign Loans	448.205	-
Total	**165.186.095**	**127.270.684**

5.h Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	2.039.383	2.325.017
Indirect loans granted to subsidiaries and associates	-	-
Total	**2.039.383**	**2.325.017**

5.i Specific provisions provided against loans or default (Stage 3) provisions:

	Current Period	Prior Period
Loans and receivables with limited collectability	1.459.431	1.446.480
Loans and receivables with doubtful collectability	5.170	1.391.307
Uncollectible loans and receivables	1.758.182	241.904
Total	**3.222.783**	**3.079.691**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

5. Explanations on loans (continued)

5.j Information on non-performing loans (net):

5.j.1 Information on loans and other receivables that have been restructured by the bank from non-performing loans:

	III. Group	IV. Group	V. Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current Period			
Gross amounts before provisions	467.612	10.339	1.669.713
Restructured loans	467.612	10.339	1.669.713
Prior Period			
Gross amounts before provisions	749.784	1.450.294	152.289
Restructured loans	749.784	1.450.294	152.289

5.j.2 Movement of non-performing loans:

	III. Group	IV. Group	V. Group
Current Period	Loans and Receivables With Limited Collectability	Loans and Receivables With Doubtful Collectability	Uncollectible Loans and Receivables
Prior Period End Balance	**2.237.702**	**1.450.294**	**258.132**
Additions (+)	265.657	-	2.898
Transfers from Other Categories of Non-performing Loans (+)	-	314.210	1.578.447
Transfers to Other Categories of Non-performing Loans (-)	(506.270)	(1.386.387)	-
Collections (-)	(92.635)	(367.778)	(73.963)
Write-offs (-)	-	-	-
Sold (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Exchange rate differences of non-performing loans	83	-	97
Current Period End Balance	**1.904.537**	**10.339**	**1.765.611**
Provisions (-)	1.459.431	5.170	1.758.182
Net Balance on Balance Sheet	**445.106**	**5.169**	**7.429**

[1] *The amount related to real estate acquired by the Bank due to its non-performing receivables is shown in the collections line.*

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

5. Explanations on loans (continued)

5.j Information on non-performing loans (net) (continued):

5.j.2 Movement of non-performing loans (continued):

	III. Group	IV. Group	V. Group
Prior Period	**Loans With Limited Collectability**	**Loans With Doubtful Collectability**	**Uncollectible Loans**
Prior Period End Balance	**283.191**	**1.661.963**	**388.822**
Additions (+)	1.983.177	-	103
Transfers from Other Categories of Non-performing Loans (+)	-	-	15.038
Transfers to Other Categories of Non-performing Loans (-)	-	15.038	-
Collections (-)	29.005	196.631	61.220
Write-offs (-)(1)	-	-	84.611
Sold (-)			
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Exchange rate differences of non-performing loans	339	-	-
Current Period End Balance	**2.237.702**	**1.450.294**	**258.132**
Provisions (-)	1.446.480	1.391.307	241.904
Net Balance on Balance Sheet	**791.222**	**58.987**	**16.228**

(1) As of December 31, 2023, the Bank's impact on the Bank's non-performing loan ratio is calculated as 6 basis points when the calculation is made by taking into account the loans deducted.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

5. Explanations on loans (continued)

5.j Information on non-performing loans (net) (continued):

5.j.3 Information on foreign currency non-performing loans and other receivables:

	III. Group	IV. Group	V. Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current Period			
Period End Balance	-	-	1.105
Provision (-)	-	-	1.105
Net Balance on Balance Sheet	-	-	-
Prior Period:			
Period End Balance	925	-	-
Specific Provision (-)	925	-	-
Net Balance on Balance Sheet	-	-	-

5.j.4 Information regarding gross and net amounts of non-performing loans with respect to user groups:

	III. Group	IV. Group	V. Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	1.904.537	10.339	1.758.139
Provision Amount (-)	1.459.431	5.170	1.750.710
Loans to Real Persons and Legal Entities (Net)	445.106	5.169	7.429
Bankalar (Brüt)	-	-	-
Karşılık Tutarı (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	7.472
Provision Amount (-)	-	-	7.472
Other Loans and Receivables (Net)	-	-	-

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

5. Explanations on loans (continued)

5.j Information on non-performing loans (net) (continued):

5.j.5 Information on interest accruals, rediscount, and valuation differences calculated for non-performing loans and their provisions:

	III. Group	IV. Group	V. Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	2.237.702	1.450.294	251.166
Provision Amount (-)	1.446.480	1.391.307	234.938
Loans to Real Persons and Legal Entities (Net)	791.222	58.987	16.228
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	6.966
Provision Amount (-)	-	-	6.966
Other Loans (Net)	-	-	-

	III.Group	IV.Group	V.Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current Period (Net)	-	-	-
Interest Accruals and Rediscount with Valuation Differences	83	-	97
Provision amount (-)	83	-	97
Prior Period (Net)	-	-	-
Interest Accruals and Rediscount with Valuation Differences	339	-	-
Provision amount (-)	339	-	-

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

5.k Main principles of liquidating non-performing loans and receivables:

In case of existence of the collateral elements stated in Article 13 of the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables to be set aside for these, these elements are liquidated as soon as possible as a result of both administrative and legal initiatives and liquidation of the receivables is ensured.

In the absence of collateral, the debtor is provided with an insolvency certificate, but in various periods, intense intelligence is made and the legal asset is applied to determine the acquired assets.

Legal procedures followed before and after; on the financial information of the company when the creditor deemed able to live in the investigation that will be made by the Bank and if it contributed to the economy in relation to firms that dominate considers that contributed to the production, efforts are made to the liquidation of receivables agreement.

5.l Explanations about the write-off policies from the assets:

Within the scope of the "Regulation Amending the Regulation on the Procedures and Principles Regarding the Classification of Loans and the Provisions for These" published in the Official Gazette dated November 27, 2019 and numbered 30961, loans classified as "Fifth Group-Uncollectible Loans", for which there is no reasonable expectation of recovery, can be excluded from the balance sheet. The deduction of the loans that cannot be collected from the records is an accounting application and does not result in the waiver of the right to receivable.

The Bank allocates expected loan loss provisions within the scope of TFRS 9 for the parts of the loans that are not expected to be collected, and the details are given in VIII. Explanations on impairment of financial assets and Calculation of expected credit losses are given under the headings. Amounts written off during the period are disclosed in the footnotes of the financial statements.

As of December 31, 2024, the Bank has no written-off loans. (December 31, 2023: TL 84.611).

6. Information on held-to-maturity investments

6.a The information was subjected to repo transactions and given as collateral/blocked amount of investments:

	Current Period		Prior Period	
	TP	**FC**	**TP**	**FC**
Collateralised/Blocked Investments	2.621.515	4.120.258	2.923.306	3.588.592
Subject to Repurchase Agreements	2.666.448	131.383	221.806	2.396.438
Total	**5.287.963**	**4.251.641**	**3.145.112**	**5.985.030**

6.b Information on government debt investments held-to-maturity:

	Current Period	**Prior Period**
Government Bonds	24.219.715	18.894.112
Treasury Bills	-	-
Other Government Debt Securities	-	-
Total	**24.219.715**	**18.894.112**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

6.c Information on held-to-maturity investments:

	Current Period	Prior Period
Debt Securities		
Quoted on a Stock Exchange	9.949.963	8.392.539
Not Quoted	14.269.752	10.501.573
Impairment provision (-)	-	-
Total	**24.219.715**	**18.894.112**

6.d Movement of held-to-maturity investments within the year:

	Current Period	Prior Period
Balance at Beginning of the Period	**18.894.112**	**12.825.981**
Foreign Currency Differences on Monetary Assets	2.121.701	3.861.667
Purchases During The Period	3.194.001	475.734
Disposals Through Sales And Redemptions (-)	704.972	334.204
Impairment Provision (-)	-	-
Interest Income Accruals	714.873	2.064.934
Balance at End of Period	**24.219.715**	**18.894.112**

(1) Expected credit loss amounting to TL 20.200 is allocated in "Financial asset measured at amortized cost" (December 31, 2023: TL 13.462).

7. Information on investments in associates (net):

7.a As per Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards unconsolidated associates and reason of unconsolidating:

Subsidiaries that were not included in the scope of consolidation because they were not financial subsidiaries were valued according to the equity method.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

7. Information on investments in associates (net) (continued)

7.b Information on unconsolidated associates:

	Title	Address (City/Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	Terme Metal Sanayi ve Ticaret A.Ş. (Terme)	Istanbul/Turkey	17,83	18,76
2	Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş. (Ege Tarım)	Izmir/Turkey	10,05	20,10

Non-financial associates, as above, are not consolidated in accordance with the Communiqué on "Preparing Consolidated Financial Statements of the Banks".

		Total Assets	Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	Terme [1]	26.512	23.534	26.512	-	-	(11)	(9)	-
2	Ege Tarım	218.374	51.416	200.548	4.267	10.157	15.999	14.218	-

[1] Represents for the period ended 30 September 2024 financial statements. Prior year profit/loss is obtained from 30 September 2023 financial statements.

Information on associates disposed in the current period

In the current period the Group has not disposed any associates.

Information on associates purchased in the current period

In the current period the Group has not purchased any associates.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

7. Information on investments in associates (net) (continued)

7.c Information on the consolidated associates:

	Title	Address (City/Country)	Bank's share percentage- If different voting percentage (%)	Bank's risk group share percentage (%)
1	İş Faktoring A.Ş. (İş Faktoring)	Istanbul/Turkey	21,75	100,00
2	İş Finansal Kiralama A.Ş. (İş Finansal)	Istanbul/Turkey	29,46	59,89
3	İş Girişim Sermayesi Yatırım Ortaklığı A.Ş (İş Girişim)	Istanbul/Turkey	16,67	56,79

		Total Assets	Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	İş Faktoring	37.798.320	4.555.968	36.925	7.265.695	-	1.000.450	1.159.924	-
2	İş Finansal [(1)]	69.747.305	9.842.182	95.522	11.702.678	-	1.925.193	1.767.060	9.290.634
3	İş Girişim [(1)]	5.085.933	4.179.909	17.482	85.657	-	1.945.145	1.227.673	2.933.320

(1) Fair value is calculated based on the stock market value as of December 31, 2024.

	Current Period	Prior Period
Balance at the Beginning of the Period	**2.825.834**	**1.493.750**
Movements During the Period	1.375.658	1.332.084
Purchases	-	**-**
Bonus Shares Received	-	**-**
Current Year Share of Profit	-	**-**
Sales	-	**-**
Revaluation Increase/Decrease [(1)]	1.375.658	1.332.084
Provision for Impairment (-)	-	**-**
Other	**4.201.492**	**2.825.83**4
Balance at the End of the Period	-	**-**
Capital Commitments	-	**-**

(1) Includes accounting differences with the equity method.

Information on associates disposed in the current period

In the current period the Group has not disposed any associates.

Information on associates purchased in the current period

In current period the Group has not purchased any associates.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

7. Information on investments in associates (net) (continued)

7.d Sectoral information of consolidated associates and the related carrying amounts in the legal books:

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	1.014.392	672.276
Leasing Companies	2.632.351	1.796.189
Financial Service Companies	-	-
Other Financial Associates	549.582	353.819

7.e Information on consolidated associates quoted on stock market:

	Current Period	Prior Period
Associates Quoted on Domestic Stock Markets	3.181.933	2.150.008
Associates Quoted on Foreign Stock Markets	-	-

8. Information related to subsidiaries (net)

8.a Information related to equity component of subsidiaries:

	YF	TSKB GYO
Current Period [(1)]	**Current Period**	**Current Period**
CORE CAPITAL		
Paid-in Capital	63.500	650.000
Share Premium	-	1.136
Legal Reserves	19.684	8.448
Other Comprehensive Income/Loss according to TAS	28.286	-
Current and Prior Years' Profit	836.364	4.055.563
Leasehold Improvements (-)	4.120	-
Intangible Assets (-)	1.160	73
Total Core Capital	**942.554**	**4.715.074**
Supplementary Capital	-	-
Capital	-	-
Net Available Capital	**942.554**	**4.715.074**

[(1)] The information is obtained from financial statements subject to consolidation as of December 31, 2024.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

8. Information related to subsidiaries (net) (continued)

8.a Information related to equity component of subsidiaries: (continued)

	YF	TSKB GYO
Prior Period [1]	**Prior Period**	**Prior Period**
CORE CAPITAL		
Paid-in Capital	63.500	650.000
Share Premium	-	1.136
Legal Reserves	13.001	8.862
Other Comprehensive Income/Loss according to TAS	31.289	-
Current and Prior Years' Profit	529.957	2.684.982
Leasehold Improvements (-)	3.459	-
Intangible Assets (-)	1.738	80
Total Core Capital	**632.550**	**3.344.900**
Supplementary Capital	-	-
Capital	-	-
Net Available Capital	**632.550**	**3.344.900**

[1] The information is obtained from financial statements subject to consolidation as of December 31, 2023.

Paid in capital has been indicated as Turkish Lira in articles of incorporation and registered in trade registry. Effect of inflation adjustments on paid in capital is the difference caused by the inflation adjustment on shareholders' equity items. Extraordinary reserves are the status reserves which have been transferred with the General Assembly decision after distributable profit have been transferred to legal reserves. Legal reserves are the status reserves which have been transferred from distributable profit in accordance with the Article of 519 of the Turkish Commercial Code No 6102. The Parent Bank's internal capital adequacy assessment process is made annually on a consolidated basis. Consolidated subsidiaries and associates are included in the assessment.

8.b As per Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards unconsolidated subsidiaries and reason of unconsolidating and needed capital if they are subject to capital requirement:

TSKB Gayrimenkul Değerleme A.Ş., and TSKB Sürdürülebilirlik Danışmanlığı A.Ş. are valued at cost and are not consolidated since they are not financial subsidiaries. Unconsolidated subsidiaries of the Parent Bank are not subject to minimum capital requirement.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

8. Information related to subsidiaries (net) (continued)

8.c Information related to unconsolidated subsidiaries:

	Title	Address (City/Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	TSKB Gayrimenkul Değerleme A.Ş. (TSKB GMD)	Istanbul/Türkiye	100	100
2	TSKB Sürdürülebilirlik Danışmanlığı A.Ş. (TSKB SD)	Istanbul/Türkiye	100	100

		Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	TSKB GMD	164.333	115.252	25.721	29.439	-	43.893	27.564	-
2	TSKB SD	24.244	18.134	2.016	3.536	-	4.315	3.366	-

8.d Information related to consolidated subsidiaries:

	Title	Address (City/Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	Yatırım Finansman Menkul Değerler A.Ş.(YF)	Istanbul/Türkiye	95,78	98,51
2	TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. (TSKB GYO)	Istanbul/Türkiye	88,61	88,61

	Total Assets	Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
YF [1]	6.865.447	948.896	139.484	1.609.581	8.535	334.151	282.714	-
TSKB GYO [1][2]	5.276.934	4.715.146	5.009.004	40.697	-	1.370.581	1.535.587	4.533.750

[1] The consolidated financial data of the subsidiaries are prepared in accordance with BRSA regulations.

[2] Fair value is calculated based on the stock market value as of December 31, 2024.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

8. Information related to subsidiaries (net) (continued)

8.e Movement table for subsidiaries:

Unconsolidated movement related subsidiaries subjected to consolidation is as follows:

	Current Period	Prior Period
Balance at the Beginning of the Period	**3.676.484**	**1.989.634**
Movements During the Period	1.542.790	1.686.850
Purchases	-	-
Bonus Shares Obtained	-	-
Current Year Shares of Profit	-	-
Sales	(801)	-
Revaluation Increase [1]	1.543.591	1.686.850
Provision for Impairment	-	-
Balance At the End of the Period	**5.219.274**	**3.676.484**
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

[1] Includes accounting differences with the equity method.

According to the principles of consolidation accounting, the cost values of the consolidated subsidiaries have been deducted from the accompanying consolidated financial statements.

Subsidiaries disposed in the current period

In the current period, the Group has not disposed any subsidiaries.

Subsidiaries purchased in the current period

In the current period, the Group has not purchased any subsidiaries.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

8. Information on subsidiaries (net) (continued)

8.f Sectoral information on subsidiaries subject to consolidation and the related carrying amounts in the books:

Subsidiaries	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financial Service Companies	-	-
Other Financial Subsidiaries	5.085.830	3.575.468

8.g Subsidiaries subject to consolidation quoted on stock market:

	Current Period	Prior Period
Subsidiaries quoted on domestic stock exchanges	4.177.984	2.968.335
Subsidiaries quoted on foreign stock exchanges	-	-

9. Information related to entities under common control

TSKB GYO, one of the subsidiaries of the Parent Bank, established a joint venture with Bilici Yatırım Sanayi ve Ticaret A.Ş. in Adana under the name of Adana Otel Projesi Adi Ortaklığı ("Adana Hotel Project") on 26 May 2011 and Anavarza Otelcilik Anonim Şirketi on 27 June 2015.

The capital structure of the Adana Otel Projesi Adi Ortaklığı ("Adana Hotel Project") is designated as 50% of participation Bilici Yatırım Sanayi ve Ticaret A.Ş. and 50% of participation for TSKB GYO. The main operations of Adana Otel Projesi Adi Ortaklığı is to start, execute, and complete the hotel project which will be operated by Divan Turizm İşletmeleri A.Ş. (previous name "Palmira Turizm Ticaret A.Ş.").

The capital structure of Anavarza Otelcilik Anonim Şirketi is designated as 50% of participation Bilici Yatırım Sanayi ve Ticaret A.Ş. and 50% of participation for TSKB GYO. The main operations of Anavarza Otelcilik Anonim Şirketi is tourism oriented hotels, motels, accommodation facilities, gastronomy, sports, entertainment and health care.

Bilici Yatırım TSKB GYO Adana Otel Projesi Adi Ortaklığı Ticari İşletmesi, owned by TSKB GYO with 50%-50% Bilici Yatırım Sanayi ve Ticaret A.Ş has been transformed into a company named "Yarsuvat Turizm Anonim Şirketi" together with all its assets and liabilities, as a whole, by changing the type.

Transformation of Bilici Yatırım TSKB GYO Adana Otel Projesi Adi Ortaklığı Ticari İşletmesi to Yarsuvat Turizm Anonim Şirketi and after transformation transfer to Anavarza Otelcilik A.Ş. with all its assets and liabilities as a whole was completed with the Merger document of Adana Chamber of Commerce dated 20 December 2019 and numbered 9647.

	Total Assets	Equity	Total Fixed Assets	Interest Income	Securities Income	Current Year Profit/Loss	Prior Year Profit/Loss	Fair Value
Anavarza Otelcilik	84.288	53.212	4.222	7.995	-	27.085	31.526	-

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

10. Information on finance lease receivables (net)

10.a Maturities of investments on finance leases:

	Current Period		Prior Period	
	Gross	**Net**	**Gross**	**Net**
Less than 1 year	49.502	42.888	73.222	62.626
Between 1- 4 years	113.032	91.573	136.146	95.832
More than 4 years	353.471	283.092	448.289	293.912
Total	**516.005**	**417.553**	**657.657**	**452.370**

An expected loss provision amounting to TL 117.847 (December 31, 2023: TL 72.631) has been allocated to the "Financial Lease Receivables" account.

10.b The information on net investments in finance leases:

	Current Period	Prior Period
Gross investments in finance leases	**516.005**	**657.657**
Unearned revenue from finance leases (-)	98.452	205.287
Cancelled finance leases (-)	-	-
Net investments in finance leases	**417.553**	**452.370**

10.c Explanation with respect to finance lease agreements, the criteria used in determination of contingent rents, conditions for revisions or purchase options, updates of leasing amounts and the restrictions imposed by lease arrangements, whether arrays in repayment occur, whether the terms of the contract are renewed, if renewed, the renewal conditions, whether the renewal results any restrictions, and other important conditions of the leasing agreement:

Finance lease agreements are made in accordance with the related articles of the Financial Leasing, Factoring and Financing Company Law No. 6361. There are no restructuring or restrictions having material effect on financial statements.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

11. Information on fair value hedge accounting

11.a Information on derivative financial assets for hedging purposes

There is a positive differences amounting to TL 1.119.407 related to derivative financial assets for hedging purposes (December 31, 2023: positive differences amounting to TL 310.639).

As of December 31, 2024 the contract amounts and the net fair value carried on the balance sheet of derivative financial instruments designated as hedging instruments are summarized in the table below:

	Current Period			Prior Period		
	Face Value	Asset	Liability	Face Value	Asset	Liability
Interest Rate Swap	38.602.372	18.436	417.848	12.304.847	94.859	130.762
FC	38.602.372	18.436	417.848	12.304.847	94.859	130.762
TL	-	-	-	-	-	-
Swap Currency Transactions	30.696.329	1.100.971	-	26.483.208	215.780	39.214
FC	30.696.329	1.100.971	-	26.483.208	215.780	39.214
TL	-	-	-	-	-	-

11.b Information on fair value hedge accounting

Current Period Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item [1]	Fair Value of Hedging Instrument [1]		Income St Effect (Profit/Loss Through Derivative Financial Instrument)
				Asset	Liability	
Interest Rate Swap Transactions	Fixed Rate Eurobond and Green bond Issued	Interest Rate Risk	(27.268)	21.597	-	(5.671)
Interest Rate Swap Transactions	Fixed Rate Loans Used	Interest Rate Risk	106.172	-	(113.852)	(7.680)
Cross Currency Swap Transactions	Fixed Rate Issued Eurobond	Interest Rate Risk	(73.032)	104.084	-	31.052

[1] *The fair value of hedged item and hedging instrument are presented as net market value excluding credit risk and accumulated interest.*

Prior Period Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item [1]	Fair Value of Hedging Instrument [1]		Income St Effect (Profit/Loss Through Derivative Financial Instrument)
				Asset	Liability	
Interest Rate Swap Transactions	Fixed Rate Eurobond and Green bond Issued	Fixed Rate Eurobond and Green bond Issued	(112.672)	-	77.745	(34.927)
Interest Rate Swap Transactions	Fixed Rate Loans Used	Fixed Rate Loans Used	107.833	-	(115.332)	(7.499)
Cross Currency Swap Transactions	Fixed Rate Issued Eurobond	Fixed Rate Issued Eurobond	(103.960)	152.334	-	48.374

[1] *The fair value of hedged item and hedging instrument are presented as net market value excluding credit risk and accumulated interest.*

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

12. Information on tangible assets

The property is located within the Bank's tangible assets are accounted for by the scope of TAS 16 valuation. For the year 2023, appraisal companies authorized by the CMB and BRSA have been appraised, and the value increases based on the appraisal results have been accounted for in the relevant accounts.

Current Period	**Prior Period End**	**Current Period Additions**	**Current Period Disposals**	**Revaluation Surplus**	**Current Period End**
Cost					
Land and buildings	2.144.569	192	-	845.497	2.990.258
Assets held under finance leases	4.446	2.397	-	-	6.843
Vehicles	15.028	4.904	(429)	-	19.503
Right to use Securities-Real Estate	50.439	10.867	-	-	61.306
Assets held for resale	399	-	-	-	399
Other	104.353	89.961	(2.753)	-	191.561
Total Cost	**2.319.234**	**108.321**	**(3.182)**	**845.497**	**3.269.870**
Accumulated depreciation					
Land and buildings	(3.355)	(1.213)	-	-	(4.568)
Assets held under finance leases	(278)	(1.596)	-	-	(1.874)
Vehicles	(3.811)	(3.074)	429	-	(6.456)
Right to use Securities-Real Estate	(20.397)	(11.134)	-	-	(31.531)
Assets held for resale	(141)	(97)	-	-	(238)
Other	(53.997)	(17.061)	2.590	-	(68.468)
Total accumulated depreciation	**(81.979)**	**(34.175)**	**3.019**	-	**(113.135)**
Impairment provision					
Land and buildings	-	-	-	-	-
Assets held under finance leases	-	-	-	-	-
Right to use Securities-Real Estate	-	-	-	-	-
Vehicles	-	-	-	-	-
Assets held for resale	-	-	-	-	-
Other	-	-	-	-	-
Total impairment provision	-	-	-	-	-
Net book value	**2.237.255**	**74.146**	**(163)**	**845.497**	**3.156.735**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

12. Information on tangible assets (net) (continued)

Prior Period	Prior Period End	Current Period Additions	Current Period Disposals	Revaluation Surplus	Period End
Cost					
Land and buildings	1.187.789	-	-	956.780	2.144.569
Assets held under finance leases	-	4.446	-	-	4.446
Vehicles	7.624	7.494	(90)	-	15.028
Right to use Securities-Real Estate	16.158	34.281	-	-	50.439
Assets held for resale	399	-	-	-	399
Other	62.061	43.459	(1.167)	-	104.353
Total Cost	**1.274.031**	**89.680**	**(1.257)**	**956.780**	**2.319.234**
Accumulated depreciation					
Land and buildings	(2.700)	(655)	-	-	(3.355)
Assets held under finance leases	-	(278)	-	-	(278)
Vehicles	(1.807)	(2.094)	90	-	(3.811)
Right to use Securities-Real Estate	(11.963)	(8.434)	-	-	(20.397)
Assets held for resale	(39)	(102)	-	-	(141)
Other	(43.295)	(11.768)	1.066	-	(53.997)
Total accumulated depreciation	**(59.804)**	**(23.331)**	**1.156**	**-**	**(81.979)**
Impairment provision					
Land and buildings	-	-	-	-	-
Assets held under finance leases	-	-	-	-	-
Right to use Securities-Real Estate	-	-	-	-	-
Vehicles	-	-	-	-	-
Assets held for resale	-	-	-	-	-
Other	-	-	-	-	-
Total impairment provision	-	-	-	-	-
Net book value	**1.214.227**	**66.349**	**(101)**	**956.780**	**2.237.255**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

13. Information on intangible assets

13.a Useful lives and amortization rates used:

Tangible assets, purchased before 1 January 2005, are accounted for at their restated costs as of December 31, 2004 and the assets purchased in the following periods are accounted for at acquisition cost less accumulated depreciation and reserve for impairment.

Rental or administrative purposes or other unspecified purposes of assets that under construction will be amortised when they are ready to use.

13.b Amortization methods used:

The intangible assets are amortized principally on straight line basis which amortize the assets over their expected useful lives.

13.c Cost and accumulated amortization at the beginning and end of the period:

	Beginning of Current Period		End of Current Period	
Current Period	**Gross Book Value**	**Accumulated Amortization**	**Gross Book Value**	**Accumulated Amortization**
Software	24.155	(17.043)	27.094	(19.876)
Goodwill	1.005	-	1.005	-

	Beginning of Prior Period		End of Prior Period	
Prior Period	**Gross Book Value**	**Accumulated Amortization**	**Gross Book Value**	**Accumulated Amortization**
Software	16.507	(13.234)	24.155	(17.042)
Goodwill	1.005	-	1.005	-

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

13. Information on intangible assets (continued)

13.d Movement of cost and accumulated amortization for the period:

Current Period	**Closing Balance of Prior Period**	**Current Year Additions**	**Current Year Disposals**	**Closing Balance of Current Period**
Cost				
Software	24.155	3.417	(478)	27.094
Goodwill	1.005	-	-	1.005
Total Cost	**25.160**	**3.417**	**(478)**	**28.099**
Accumulated Amortization				
Software	(17.043)	(3.311)	478	(19.876)
Goodwill	-	-	-	-
Total Accumulated Amortization	**(17.043)**	**(3.311)**	**478**	**(19.876)**
Impairment Provision				
Software	-	-	-	-
Total Impairment Provision	**-**	**-**	**-**	**-**
Net Book Value	**8.117**	**106**	**-**	**8.223**

Prior Period	**Closing Balance of Prior Period**	**Current Year Additions**	**Current Year Disposals**	**Closing Balance of Period**
Cost				
Software	16.507	7.648	-	24.155
Goodwill	1.005	-	-	1.005
Total Cost	**17.512**	**7.648**	**-**	**25.160**
Accumulated Amortization				
Software	(13.234)	(3.808)	-	(17.042)
Goodwill	-	-	-	-
Total Accumulated Amortization	**(13.234)**	**(3.808)**	**-**	**(17.042)**
Impairment Provision				
Software	-	-	-	-
Total Impairment Provision	**-**	**-**	**-**	**-**
Net Book Value	**4.278**	**3.840**	**-**	**8.118**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

13. Information on intangible assets (continued)

13.e The net book value, description and the remaining amortization period of any material individual intangible asset in the financial statements:

As of the reporting date, the Group has no individual intangible asset which is material to the financial statements as a whole (December 31, 2023: None).

13.f Disclosure for intangible assets acquired through government grants and accounted for at fair value at initial recognition:

As of the reporting date, the Group has no intangible assets acquired through government grants (December 31, 2023: None).

13.g The method of subsequent measurement for intangible assets that are acquired through government incentives and recorded at fair value at the initial recognition:

As of the reporting date, the Group has no intangible assets acquired with government incentives (December 31, 2023: None).

13.h The book value of intangible assets that are pledged or restricted for use:

As of the reporting date, the Group has no intangible assets with restricted use or pledged (December 31, 2023: None).

13.i Amount of purchase commitments for intangible assets:

As of the reporting date, the Group has no purchase commitments for intangible assets (December 31, 2023: None).

13.j Information on revalued intangible assets according to their types:

The Group did not revalue its intangible assets as at the reporting date (December 31, 2023: None).

13.k Amount of total research and development expenses recorded in income statement within the period, if any:

The Group has no research and development costs expensed in the current period (December 31, 2023: None).

13.l Information on goodwill:

Goodwill on Consolidation	Effective Share Rate%	Carrying Amount
Yatırım Finansman Menkul Değerler A.Ş.	95,78	1.005

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

13. Information on intangible assets (continued)

13.m The carrying value of goodwill at beginning and end of the period, and movements within the period:

	Current Period	Prior Period
Net Value at the Beginning of the Period	1.005	1.005
Changes in the Period:	-	-
Additional Goodwill	-	-
Restatements Arising from Changes in Assets and Liabilities	-	-
Goodwill Written off due to Discontinued Operations or Partial/Full Derecognizing of an Asset (-)	-	-
Impairment Loss (-)	-	-
Reversal of Impairment loss (-)	-	-
Changes in Carrying Value	-	-
Net Value at the End of Period	**1.005**	**1.005**

13.n The carrying value of negative goodwill at beginning and end of the period, and movements within the period:

As of the reporting date, the Group has no negative goodwill in the accompanying financial statements (December 31, 2023: None).

14. Information on investment properties

In the current period, the Group owns three investment properties with a net book value of TL 2.403.800 (December 31, 2023: TL 1.430.350) belonging to its subsidiary operating in the field of real estate investment trust. As of December 31, 2024 and December 31, 2023, the table of movement of investment properties is as follows:

Current Period	Opening Balance of Current Period	Additions	Disposals	Change in Fair Value	Closing Balance of Current Period
Tahir Han	221.000	-	-	162.480	383.480
Pendorya AVM	720.000	73.043	-	418.957	1.212.000
Divan Adana Oteli	489.350	-	-	318.970	808.320
Total	**1.430.350**	**73.043**	**-**	**900.407**	**2.403.800**

Prior Period	Closing Balance of Prior Period	Additions	Disposals	Change in Fair Value	Closing Balance of Prior Period
Tahir Han	139.860	-	-	81.140	221.000
Pendorya Mall	410.000	-	-	310.000	720.000
Adana Hotel Project	215.050	-	-	274.300	489.350
Total	**764.910**	**-**	**-**	**665.440**	**1.430.350**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

15. Information on deferred tax assets

15.a Temporary differences, tax losses, exemptions and deductions reflected to balance sheet as deferred tax asset:

The Group has computed deferred tax asset or liability on temporary differences arising from carrying values of assets and liabilities in the accompanying financial statements and their tax bases.

Deferred tax asset:	**Current Period**	**Prior Period**
Provisions	1.489.428	1.581.182
Loan commissions accrual adjustment	89.961	67.478
Employee benefit provision	39.221	16.278
Securities	10.062	142.402
Differences in the economic life of tangible fixed assets	5.732	8.118
Others [1]	118.956	76.945
Total Deferred Tax Asset	**1.753.360**	**1.892.403**
Deferred tax liabilities:		
Marketable securities	(645.501)	(5.482)
Valuation of derivative instruments	(527.528)	(235.992)
Useful life difference of fixed assets	(341.134)	(14.440)
Borrowings commissions accrual adjustment	(166.321)	(74.847)
Others [2]	(94.907)	(81.037)
Toplam Ertelenmiş Vergi Yükümlülüğü	**(1.775.391)**	**(411.798)**
Net Ertelenmiş Vergi Varlığı/Yükümlülüğü	**(22.031)**	**1.480.605**

[1] In addition, there is a deferred tax asset in the other item related to right of use assets of TL 30.344 and other provisions of TL 30.000. (December 31, 2023: right of use assets of TL 3.750 and other provisions of TL 21.000)

[2] In the other item, there is also a deferred tax liability related to hedge accounting amounting to TL 31.832. (December 31, 2023: TL 32.350 tax liability).

	Current Period	**Prior Period**
Deferred Tax as of January 1 Asset/(Liability) - Net	1.480.605	724.131
Deferred Tax (Loss)/Gain	(1.054.593)	705.510
Deferred Tax that is Realized Under Shareholder's Equity	(448.043)	50.964
Deferred Tax Asset/(Liability) Net	**(22.031)**	**1.480.605**

15.b Temporary differences over which deferred tax asset are not computed and recorded in the balance sheet in prior periods, if so, their expiry date, losses and tax deductions and exceptions:

There is no temporary differences over which deferred tax asset are not computed and recorded in the balance sheet in prior periods. (December 31, 2023: None).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

15.c Allowance for deferred tax and deferred tax assets from reversal of allowance:

As of the reporting date, the Bank has no allowance for deferred tax and deferred tax liability from reversal of allowance (December 31, 2023: None).

16. Explanation on assets held for sale:

As of the balance sheet date, the Parent Bank does not have any fixed asset transactions held for sale or discontinued operations (31 December 2023: None).

17. Information about other assets

17.a Other assets which exceed 10% of the balance sheet total and breakdown of these which constitute at least 20% of grand total:

Other assets do not exceed 10% of total assets, excluding off-balance sheet commitments (December 31, 2023: None).

II. Explanations and disclosures related to the liabilities

1. Information of maturity structure of deposits

1.a.1 Maturity structure of deposits:

The Parent Bank is not authorized to accept deposits.

1.a.2 Information on saving deposits under the guarantee of saving deposit insurance fund and exceeding the limit of deposit insurance fund:

The Parent Bank is not authorized to accept deposits.

1.b Information on the scope whether the Bank with a foreign head office suits saving deposit insurance of the related country:

The Parent Bank is not authorized to accept deposits.

1.c Saving deposits which are not under the guarantee of deposit insurance fund:

The Parent Bank is not authorized to accept deposits.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

2. Negative differences table related to derivative financial liabilities

	Current Period		Prior Period	
Derivative Financial Liabilities Held For Trading [1]	**TL**	**FC**	**TL**	**FC**
Forward Transactions	3.101	486	11.755	642
Swap Transactions	157.686	719.414	21.132	944.653
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	**160.787**	**719.900**	**32.887**	**945.295**

[1] Derivative Financial Liabilities for Hedging Purposes TL 417.848 (December 31, 2023: TL 169.976) are shown in the "Derivative Financial Liabilities" account.

3. Information on banks and other financial institutions:

3.a General information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Central Bank of Turkey Loans	-	-	-	-
From Domestic Banks and Institutions	20.916	-	175.418	-
From Foreign Banks, Institutions and Funds	-	123.981.589	-	106.675.692
Total	**20.916**	**123.981.589**	**175.418**	**106.675.692**

3.b Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Short-term	20.916	-	175.418	601.435
Medium and long-term	-	123.981.589	-	106.074.257
Total	**20.916**	**123.981.589**	**175.418**	**106.675.692**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

3. Information on banks and other financial institutions (continued)

3.c Additional information about the concentrated areas of liabilities:

	Current Period		Prior Period	
	TP	YP	TP	YP
Nominal	1.890.880	50.565.893	1.835.880	31.248.930
Cost	1.890.880	50.370.730	1.784.332	31.086.300
Book Value	1.950.424	51.561.928	1.921.359	32.227.091

As of 31 December 2024, the details of the Group's issued securities whose redemption date has not yet come are as follows:

Date of Issuance	Maturity Date	Currency Type	Nominal Amount	Interest Rate	Coupon Payment Frequency
23/01/2020	23/01/2025	USD	400.000.000	6,00%	6 months
14/01/2021	14/01/2026	USD	350.000.000	5,88%	6 months
19/09/2023	19/10/2028	USD	300.000.000	9,38%	6 months
13/08/2024	13/02/2025	USD	27.000.000	6,08%	-
27/08/2024	27/02/2025	USD	10.000.000	5,95%	-
28/08/2024	28/02/2025	USD	5.000.000	5,80%	-
17/10/2024	17/10/2029	USD	350.000.000	7,13%	6 months

The details of the issues that Yatırım Varlık Kiralama A.Ş. issued as of December 31, 2024 and whose redemption date has not yet come is as follows:

ISIN Code	Fund User	Issue Amount (TL)	Issue Date	Redemption Date
TRDYVKS62511	MLP Sağlık Hizmetleri A.Ş.	1.000.000.000	12/12/2023	12/06/2025
TRDYVKS32514	MLP Sağlık Hizmetleri A.Ş	1.000.000.000	01/10/2024	28/03/2025

(*) The amount of TL 109.120 thousand taken into the Group portfolio is eliminated in financials.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

3. Information on banks and other financial institutions (continued)

3.d Additional information about the concentrated areas of liabilities:

Under normal banking operations, the Parent Bank provided funds under repurchase agreements and funds borrowed. Fund resources of the Parent Bank particularly consist of foreign FC funds borrowed and FC and TL repurchase transactions. Information relating to funds provided under repurchase agreements is shown in the table below:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
From Domestic Transactions	1.961.247	1.319.277	256.134	1.615.740
Financial institutions and organizations	1.551.928	-	1.428	-
Other institutions and organizations	409.144	1.319.277	254.516	1.615.740
Real persons	175	-	190	-
From Foreign Transactions	-	-	3	609.182
Financial institutions and organizations	-	-	-	609.182
Other institutions and organizations	-	-	3	-
Real persons	-	-	-	-
Total	**1.961.247**	**1.319.277**	**256.137**	**2.224.922**

[1] The details about the Debts to the Interbank Money Markets are not included in this table. During December 31, 2024, there are no debts to the Interbank Money Markets (December 31, 2023: None).

4. Other liabilities which exceed 10% of the balance sheet total and the breakdown of these which constitute at least 20% of grand total

There are no other liabilities which exceed 10% of the balance sheet total (December 31, 2023: None).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

5. Explanations on financial lease obligations (net)

5.a Explanations on finance lease payables:

As of the balance sheet date, 163 computers are subject to financial leasing transactions. In the current period, the Group has a liability of TL 5.019 regarding financial leasing transactions (31 December 2023: TL 4.128).

5.b Explanations regarding operational leases:

As of the reporting date, the Bank's 2 head office buildings, 12 branch, 30 cars and 127 computers and 442 phones are subject to operational leasing. The Bank has no liability for operational leases in the current period (December 31, 2023: 2 head office buildings, 11 branch, 28 cars and 298 computers and 388 phones are subject to under operational leasing). In the current period, the Bank has lease liability with TFRS 16 amounting to TL 41.552 related to operational lease transactions (December 31, 2023: TL 39.250).

5.c Explanations on the lessor and lessee in sale and lease back transactions, agreement conditions, and major agreement terms:

The Group has no sale and lease back transactions as of the reporting date (December 31, 2023: None).

6. Negative differences on derivative financial instruments held for hedging purposes:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Fair Value Hedge [1]	-	417.848	-	169.976
Cash Flow Hedge	-	-	-	-
Hedge of net investment in foreign operations	-	-	-	-
Total	**-**	**417.848**	**-**	**169.976**

[1] Derivative Financial Liabilities for Hedging Purposes are shown in the "Derivative Financial Liabilities".

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

7. Information on provisions

7.a Foreign exchange losses on the foreign currency indexed loans and finance lease receivables:

As of the reporting date, the Parent Bank has no foreign exchange losses on the foreign currency indexed loans (December 31, 2023: None).

7.b The specific provisions provided for unindemnified non cash loans:

As of the reporting date, the Parent Bank's specific provisions provided for unindemnified non cash loans amounts to TL 4.153 (December 31, 2023: TL 84.696).

The Parent Bank has an expected loss provision amounting to TL 113.417 for non-cash loans (December 31, 2023: TL 112.766)

7.c Information related to other provisions:

7.c.1 Provisions for possible losses:

As of the balance sheet date, there is a free provision of TL 2.050.000 within the precautionary principle, taking into account possible developments that may occur in the economy and markets. TL 300.000 of the said amount has been allocated in the current period (December 31, 2023: TL 1.750.000).

7.c.2 Information on employee termination benefits and unused vacation accrual:

The Group has calculated the employee rights provision using the actuarial valuation method specified in IAS 19 and reflected it in its financial statements.

The following actuarial assumptions were used in calculating total liabilities.

	Current Period (%)	Prior Period (%)
Real Discount Rate	3,98	3,28
Nominal Discount Rate	26,70	23,58
Inflation Rate	21,85	19,65

As of December 31, 2024, severance pay provision amounting to TL 82.584 (December 31, 2023: TL 30.178) and leave obligation amounting to TL 42.844 (December 31, 2023: TL 21.710) are shown under employee rights provision in the financial statements. Actuarial loss amounting to TL 49.480 incurred after January 1, 2024 is recognized under equity in accordance with TAS 19 standard (December 31, 2023: TL 3.035 actuarial gain).

Liabilities on pension rights:

As explained in detail in the Note XV, Explanations on Obligations Regarding Employee Rights, in Section Three of the Report, the Parent Bank has no obligations arising from retirement rights as of December 31, 2024. (December 31, 2023: None).

Liabilities for pension funds established in accordance with Social Security Institution

As of December 31, 2024: None (December 31, 2023: None).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

7. Information on provisions (continued)

7.c.2 Information on employee termination benefits and unused vacation accrual (continued):

Liabilities resulting from all kinds of pension funds, foundations etc. which provide post-retirement benefits for the employees

As of December 31, 2023, the cash value of the Parent Bank's principal liabilities of the TSKB A.Ş. Civil Servants and Contractors Relief and Pension Foundation fund was calculated by an independent actuary using actuarial assumptions and according to the actuary's report dated January 22, 2025, no technical or actual deficit requiring provision as of December 31, 2024 was identified.

In this context, taking into account the provisions of the Law explained in the accounting policies regarding "Obligations Regarding the Rights of Employees" numbered 3. XVI for the circuit basic obligations of the Fund, the Parent Bank has no liability as of December 31, 2024 for other social rights and payments in the foundation deed that are outside the circuit principal obligations and the health benefits given to the employees.

Retirement Rights

According to the technical balance sheet reports prepared within the framework of Law No. 5754 published in the Official Gazette No. 26870 dated 8 May 2008 and using the specified rate of 9,80% technical interest, it was reported that there was no technical deficit for the Fund as of 31 December 2024 and 31 December 2023.

The Bank's liability as of the balance sheet date regarding the benefits to be transferred to the Social Security Institution is the estimated payment amount that will be required to be made during the transfer to the Social Security Institution, and the actuarial parameters and results used in measuring this amount reflect the provisions of Law No. 5754 published in the Official Gazette No. 26870 dated 8 May 2008 regarding the retirement and health benefits to be transferred to the Social Security Institution (9,80% real discount rate, etc.).

In calculating the liability amount for transferable benefits, largely fixed and specific assumptions are used within the framework of the New Law. However, the final amount of liability that the Bank will bear when the transfer is made may vary depending on factors such as the number of participants and the rate of separation, especially the discount rate, inflation and wage increases.

	Current Period	**Prior Period**
Existence of the Foundation(*)	312.255	247.082
Employee Contributions	2.725.217	1.461.718
Total Assets	**3.037.472**	**1.708.800**
Total Cash Values of Pensions	2.539.967	1.402.240
Total Cash Values of Management Expenses	27.619	15.237
Total Cash Value of Health Benefits	221.942	121.465
Total Liability	**2.789.528**	**1.538.942**
Actual and Technical Surplus Amount	**247.944**	**169.858**

(*) *The fair values of the assets were taken into consideration.*

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

7. Information on provisions (continued)

7.c.2 Information on employee termination benefits and unused vacation accrual (continued):

According to the relevant Actuarial Report, the surplus of the Fund is 247.944 TL as of 31 December 2024 (31 December 2023: 169.858 TL).

In the "2. Economic Assumptions" section of Annex-5 of the Circular on Actuarial Audit of Institutions Making Commitments for Retirement (2022/18)", which includes the title "Points to be Considered in the Selection of Assumptions", it is stated that 9.8% real interest rate has been taken as the basis as the discount and return rate for foundations providing services within the scope of the temporary 20th article of the Social Insurance and General Health Insurance Law No. 5510.

"Ceiling Wage Increase Based on Premium" is determined based on the "Ceiling Wage Based on Premium" determined by the Social Security Institution, and it is taken into account that an increase of up to 3% real rate above inflation will be achieved together with the earnings of members paying premiums.

According to Article 55 of Law No. 5510, it is foreseen that the inflation rate in the six-month periods of the year will be used as an increase in the next six-month period for retirement pensions. It is assumed that the increase in the obligation in the payments will be made to the retirement pensions according to the 6-month CPI and that the increase in the payments for the Foundation will be at the annual CPI rate.

7.c.3 If the other provisions exceed 10% of the sum of the provisions, the items causing the excess and their amounts:

As of December 31, 2024, the Bank reflected the case provision of TL 100.000 (December 31, 2023: TL 70.000) in its financial statements.

7.c.4 If other provisions exceeds 10% of total provisions, the name and amount of sub-accounts:

7.c.1. In addition to the free reserves allocated for possible risks specified in the article, there are general provisions and other miscellaneous reserve amounts allocated for non-cash loans of TL 113.417 (December 31, 2023: TL 112.766).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

8. Information on taxes payable

8.a Information on current taxes payable

8.a.1 Information on taxes payable:

	Current Period		Prior Period	
Corporate Taxes and Deferred Taxes	**TL**	**FC**	**TL**	**FC**
Corporate Taxes Payable	313.494	-	866.968	-
Deferred Tax Liability	334.512	-	-	-
Total	**648.006**	-	**866.968**	-

8.a.2 Information on taxes payable:

	Current Period	Prior Period
Corporate Taxes Payable	313.494	866.968
Taxation of Securities	36.023	33.989
Capital gains tax on property	-	-
Banking and Insurance Transaction Tax (BITT)	53.071	40.316
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	8.499	5.934
Other	38.063	20.084
Total	**449.150**	**967.291**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the liabilities (continued)

8. Information on taxes payable (continued)

8.a.3 Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	2.842	1.473
Social Security Premiums-Employer	3.770	1.834
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employee	727	412
Unemployment Insurance-Employer	1.423	808
Other	-	-
Total	**8.762**	**4.527**

8.b Explanations on deferred taxes liabilities:

As of the reporting date, the Group has no deferred tax liability (December 31, 2023: None).

9. Information on liabilities for fixed assets held for sale and discontinued operations:

None (December 31, 2023: None).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

10. The number, maturity, interest rate of the Bank's subordinated debt instruments; detailed explanations regarding the institution that is the creditor of the debt instrument and the option to convert it into shares, if any, and information regarding subordinated loans:

As of March 21, 2024, the Bank has secured a sustainable subordinated loan with a nominal amount of USD 300 million and a redemption date of March 21, 2029, with coupon payments every 6 months.

In the previous period, the Bank obtained a sustainable subordinated capital loan with a nominal amount of USD 200 million and a coupon payment every 6 months with a maturity date of March 31, 2027.

	Current Period		Prior Period	
	TP	FC	TP	FC
Debt Instruments Subject to Common Equity	-	10.800.864	-	6.043.090
Subordinated Loans	-	-	-	6.043.090
Subordinated Debt Instruments	-	10.800.864	-	-
Debt Instruments Subject to Tier II Equity	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Total	**-**	**10.800.864**	**-**	**6.043.090**

11. Explanations on shareholders' equity

11.a Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	2.800.000	2.800.000
Preferred stock	-	-

11.b Paid-in capital amount, explanation as to whether the registered share capital system ceiling is applicable at bank, if so, amount of registered share capital:

Capital System	Paid-in capital	Ceiling
Registered Capital System	2.800.000	7.500.000

11.c Information on share capital increases and their sources; other information on increased capital shares in current period:

In line with the decision taken at the Ordinary General Assembly meeting held on 28 March 2024, the Parent Bank has no capital increase in the relevant period.

In line with the decision taken at the Ordinary General Assembly Meeting held on 28 March 2023, there is no capital increase of the Parent Bank in the relevant period.

11.d Information on share capital increases from capital reserves:

None (December 31, 2023 None).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

11.e Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments:

The Bank has no capital commitments for its associates in the last fiscal year and at the end of the following period (December 31, 2023: None).

11.f Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

The prior period income, profitability and liquidity of the Parent Bank and their trends in the successive periods are followed by Budget and Planning Department by considering the outcomes of the potential changes in the foreign exchange rate, interest rate and maturity alterations on profitability and liquidity under various scenario analyses. The Pareny Bank operations are profitable, and the Bank retains the major part of its profit by capital increases or capital reserves within the shareholders equity.

11.g Information on preferred shares:

The Parent Bank has no preferred shares (December 31, 2023: None).

11.h Information on marketable securities value increase fund:

	Current Period		Prior Period	
	TP	**YP**	**TP**	**YP**
From Associates, Subsidiaries, and Entities Under Common Control (1)	**1.182.193**	**-**	**788.864**	**-**
Available for Sale Financial Assets	**928.597**	**197.133**	**1.090.315**	**54.353**
Valuation Differences	470.390	197.133	704.781	54.353
Foreign Exchange Difference	458.207	-	385.534	-
Total	**2.110.790**	**197.133**	**1.879.179**	**54.353**

(1) Includes the amounts of investments valued using the equity method included in other comprehensive income.

11.i Informations on legal reserves:

	Current Period	Prior Period
First legal reserve	655.349	642.237
Second legal reserve	1.683	566
Other Legal Reserves Appropriated In Accordance with Special Legislation	7.357	1.791
Total	**664.389**	**644.594**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

11. Explanations on shareholders' equity (continued)

11.j Information on extraordinary reserves:

	Current Period	Prior Period
Reserves Appropriated by the General Assembly	14.050.300	7.022.154
Retained Earnings	-	-
Accumulated Losses	-	-
Foreign Currency Share Capital Exchange Differences	-	-
Total	**14.050.300**	**7.022.154**

12. Information on minority shares:

	Current Period	Prior Period
Paid-in-Capital	76.729	75.894
Other Capital Reserves	33	33
Share Premium	129	128
Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss	240.697	1.997
Legal Reserves	836	558
Extraordinary Reserves	739	724
Other Profit Reserves	-	-
Retained Earnings/Accumulated Losses	123.300	139.486
Net Profit or Loss	134.773	184.882
Total	**577.236**	**403.702**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the consolidated off-balance sheet items

1. Information on off-balance sheet liabilities

1.a Nature and amount of irrevocable loan commitments:

	Current Period	Prior Period
Commitments for Letter of Credit	4.401.393	2.506.167
Commitments for Stock Brokerage Purchase and Sales	3.169.811	2.066.447
Commitments for Forward Purchase and Sales of Assets	848.301	342.039
Commitments from Forward Short Term Borrowing and Transfers	**142.284**	168.814
Commitments for Money Market Brokerage Purchase and Sales	26.951	39.346
Other	1.836.766	718.353
Total	**10.425.506**	**5.841.166**

[1] The remaining amount of the Parent Bank's commitment to purchase the shares of the Turkish Growth and Innovation Fund (TGIF), which is planned to be established by the European Investment Fund (EIF), and the Parent Bank's TSKB It includes the capital participation commitment amount for the cash capital increase of Sustainability A.Ş.

1.b Possible losses and commitments related to off-balance sheet items including items listed below:

1.b.1 Non-cash loans including guarantees, surety and acceptances, financial collaterals and other letters of credits:

As of the reporting date, total letters of credits, surety and acceptance amount to TL 12.837.111 (December 31, 2023: TL 4.121.492).

1.b.2 Certain guarantees, tentative guarantees, surety ships and similar transactions:

As of the reporting date, total letters of guarantee is TL 8.626.888 (December 31, 2023: TL 8.101.351).

1.c.1 Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash Loans Given Against Achieving Cash Loans	4.520.928	4.778.714
With Maturity of One Year or Less than One Year	1.402.661	33.829
With Maturity of More than One Year	3.118.265	4.744.885
Other Non-Cash Loans	17.074.412	7.444.129
Total	**21.595.338**	**12.222.843**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the consolidated off-balance sheet items (continued)

1. Information on off-balance sheet liabilities (continued)

1.c.2 Information on sectoral risk breakdown of non-cash loans:

	Current Period				Prior Period			
	TL	**(%)**	**TL**	**(%)**	**TL**	**(%)**	**TL**	**(%)**
Agriculture	-	-	-	-	-	-	-	-
Farming and stockbreeding	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
Industry	3.194.592	95	16.252.567	89	2.257.917	90	7.803.640	80
Mining	4.552	-	1.292.433	7	2.491	-	-	-
Manufacturing Industry	2.105.252	63	10.803.666	59	1.596.383	64	2.695.186	28
Electricity, Gas, Water	1.084.788	32	4.156.468	23	659.043	26	5.108.454	52
Construction	1.972	-	18.027	-	1.972	-	275.847	3
Services	134.309	4	1.430.094	8	229.138	9	1.472.458	15
Wholesale and Retail Trade	-	-	657	-	-	-	584	-
Hotel, Food and Beverage Services	-	-	-	-	156.904	6	-	-
Transportation and Communication	1.138	-	1.402.660	8	1.138	-	1.465.838	15
Financial Institutions	131.096	4	26.777	-	71.096	3	6.038	-
Real Estate and Leasing Services	2.075	-	-	-	-	-	-	-
Self-employment Services	-	-	-	-	-	-	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	19.550	1	544.227	3	19.550	1	162.321	2
Total	**3.350.423**	**100**	**18.244.915**	**100**	**2.508.577**	**100**	**9.714.268**	**100**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the consolidated off-balance sheet items (continued)

1. Information on off-balance sheet liabilities (continued)

1.c.3 Information on non cash loans classified under Group I and Group II:

	Ist Group				IInd Group			
	Current Period		Prior Period		Current Period		Prior Period	
	TL	FC	TL	FC	TL	FC	TL	FC
Non-cash Loans	3.323.785	18.226.233	2.488.076	9.036.904	18.331	18.684	14.454	417.659
Letters of Guarantee [1]	2.791.734	5.808.518	2.358.373	5.321.546	18.331	-	14.454	400.933
Bank Acceptances	-	131.339	-	-	-	-	-	-
Letters of Credit	532.051	12.286.376	129.703	3.715.358	-	18.684	-	16.726
Endorsements	-	-	-	-	-	-	-	-
Purchase Guarantees on Issuance of Securities	-	-	-	-	-	-	-	-
Factoring Guarantees	-	-	-	-	-	-	-	-
Other Guarantees and Sureties	-	-	-	-	-	-	-	-

[1] The amounts of letters of guarantee followed in Groups III and V are 11 TL and 8.296 TL, respectively (31 December 2023: The amounts of letters of guarantee followed in Groups III, IV, V are 11 TL, 5.112 TL, 924 TL, respectively).
[2] There is no letter of credit amount followed in Group III. (31 December 2023: 259.705 TL).

2. Information related to derivative financial instruments

As of December 31, 2024, the breakdown of the Bank's foreign currency forward and swap transactions based on currencies are disclosed below in their TL equivalents:

Prior Period	Forward Buy	Forwad Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Other Buy	Other Sell	Fair Value Hedge
TL	506.702	-	30.722	13.173.997	-	-	-	-	-
USD	31.931	282.704	39.800.023	24.039.385	-	-	-	-	25.514.823
EUR	32.464	254.843	8.378.295	11.213.436	-	-	-	-	13.273.232
Other	-	-	626.441	625.811	-	-	-	-	-
Total	**571.097**	**537.547**	**48.835.481**	**49.052.629**	**-**	**-**	**-**	**-**	**38.788.055**

Current Period	Forward Buy	Forward Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Other Buy	Other Sell	Fair Value Hedge
TL	268.295	118.364	2.996.473	13.909.940	22.150	22.150	-	-	-
USD	144.580	302.410	46.030.447	22.009.441	64.799	64.843	-	-	54.382.297
EUR	37.136	37.136	8.159.738	20.340.758	43.284	43.215	-	-	14.916.404
Other	1.641	1.584	859.826	861.222	-	-	-	-	-
Total	**451.652**	**459.494**	**58.046.484**	**57.121.361**	**130.233**	**130.208**	**-**	**-**	**69.298.701**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations related to the consolidated off-balance sheet items (continued)

2. Information related to derivative financial instruments (continued)

Derivative Financial Liabilities Held For Trading	Current Period				Prior Period	
	Fair value assets	Fair value liabilities	Fair value assets	Fair value liabilities	Fair value assets	Fair value liabilities
Swap Transactions	1.218.696	323.452	58.709.875	643.447	206.133	39.951.168
Interest Rate Swap Transactions	715.800	553.648	56.457.970	974.293	759.652	57.936.942
Forward Transactions	3.805	3.587	911.146	6.318	12.397	1.108.644
Futures Transactions	-	-	299.725	-	-	-
Option Transactions	-	-	-	-	-	-
Other	**1.938.301**	**880.687**	**116.378.716**	**1.624.058**	**978.182**	**98.996.754**

Fair value hedges

In the year ended as of December 31, 2024, the Bank had hedging swap interest and money transactions with a nominal amount of TL 69.298.701 (December 31, 2023: TL 38.788.055).

Hedging from the cash-flow risk

As of December 31, 2024 there is no cash-flow hedging transactions (December 31, 2023: None).

3. Explanations on loan derivatives and risk exposures:

It has not been prepared in accordance with Article 25 of the Communiqué on Financial Statements and Related Explanations and Footnotes to be Announced to the Public by Banks.

4. Explanations on contingent liabilities and assets:

There are 68 legal cases against the Bank which are amounting to TL 156.955 as of the reporting date (December 31, 2023: TL 986 - 104 legal cases).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations related to the consolidated off-balance sheet items (continued)

4. Information related to derivative financial instruments (continued):

Due to the ownership of Pendorya AVM, which is built on the real estate owned by TSKB REIT registered in Istanbul Province, Pendik District, Doğu Mahallesi, 105 Map, 865 Island, Plot 64, Sağlam Satış ve Paz. Inc. (Malazlar A.Ş.) Pendik 2nd Civil Court of First Instance, prevention of seizure against IMM Presidency and road contractor Karacan Yapı on the grounds that some of the side road construction around Pendorya AVM passes through the parcels owned by it, He filed a lawsuit with the demand for the collection of TL 7 compensation from the defendants, without prejudice to his rights. TSKB REIT intervened alongside the defendants

Relating to immovable property, subject of litigation discovery review and expert reports were submitted to the court file. Objections to the report and statement of TSKB GYO have been given. IBB Presidency has declared that expropriation proceedings related to the subject have been initiated. For this reason, lawsuit was removed from "Possessory Actions" and converted to the "Confiscating without expropriating" by the judge.

Accepting in the new case, the plaintiff claimed compensation from the Administration and in order to determine the amount of compensation the Court decided an expert examination since the information provided by the Land Registry and the Municipality was not deemed sufficient.

Expert reports submitted to the Court on May 30, 2013 and the Court decided to add Pendik Municipality as a defendant in the case. At the latest hearing on December 24, 2013 it was decided to accept the expert reports and Pendik Municipality to pay the relevant amount (TL 645) to the plaintiff. The reasoned decision has been notified, the decision which has been appealed by the appellant and the respondent Pendik Municipality has turned deteriorate the Supreme Court decision was a request for the correction requested by the İstanbul Metropolitan Municipality (IMM). The decision has been requested adjustment by IMM and plaintiff Sağlam Satış ve Paz. A.Ş. (Malazlar A.Ş.). Breaking decision of the Supreme Court is expected to evaluate the requests for correction of decision. The Court decided to apply of Supreme Court's decision to dismiss. The notification of reasoned decision is expected.

Beyoğlu Municipality approved the reclaim of TSKB GYO for the Building II which has the location as 1486 map and 76 parcel in Fındıklı in Beyoğlu, Istanbul for the forfeiture because of zoning change. However, Municipality of Beyoğlu sued because of no approbation by Istanbul Metropolitan Municipality, in order to keep rights on the subject.

The court made a decision as no solution for the relevant claim due to Beyoğlu Municipality approved the reclaim. However, there has to be permission by Istanbul Metropolitan Municipality, and Cultural and Natural Heritage Preservation Board for the exact result. Thats why, decision was appealed by the company. The Council of State reversed the judgement based on unappropriate zoning plan changes with the decision of 28 June 2014. In addition, a new implementation development plan covering the Fındıklı Building II, which has been canceled by the judicial authorities and which is owned by TSKB GYO, is being prepared by the Municipality of Beyoğlu on December 21, 2010, the 1/1000 Scaled Beyoğlu District Protected Urban Site Protected Development Plan. For this content, TSKB GYO's application were made in writing to the Beyoğlu Municipality on 28 October 2014 in order to plan by taking into account the 1/1000 Scale Implementation Plan which is being prepared by the Municipality of Beyoğlu and the Istanbul Metropolitan Municipality. The court requested the Municipality to ask the plan including the immovable subject to the decision of the Council of State is still in force as a result of the decision of dismissal and that the plan canceled by the court in the letter sent from the Municipality is still valid answered in the form. In the case which was started to discuss again in court; an expert opinion examination was made. The Court has ruled in favor of the Parent Bank by canceling the administrative proceeding. Against decision, within the legal period, Beyoğlu Municipality has applied for the appeal law and it is expected that the file will be sent to Istanbul Regional Administrative Court for examination. The decision to cancel the administrative action given by the Council of State in favor of the Group has been approved and the decision has become final.

A lawsuit was filed by one of the investors of TSKB REIT regarding the cancellation of Articles 5, 7 and 9, which were decided at the Ordinary General Assembly meeting held on April 27, 2018. In the petition, a stay of execution was requested regarding Articles 5 and 7, the request for interim injunction regarding the stay of execution was rejected, and an appeal was filed by the plaintiff. The petition for response to the case and the legal opinion have been submitted. In the first session of the file, it was decided to dismiss the case. The notification of the reasoned decision is awaited.

According to the Legal Department of the Parent Bank, other lawsuits filed against the Parent Bank are not expected to have a significant impact on the financial statements. The provision for a lawsuit filed against the Bank is included in the Note 7.c.3 of Section Five.

5. Custodian and intermediary services:

The Parent Bank does not have any activities such as custody or placement on behalf of real or legal persons, foundations, retirement insurance funds or other institutions. The details of the securities received as deposits are shown in the off-balance sheet accounts table. The Parent Bank does not provide trading and safe keeping services in the name and account of real persons, legal entities, funds, pension funds and other entities, which are presented in the statement of contingencies and commitments.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement

1. Information on interest income

1.a Information on interest on loans:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Interest on Loans [1]				
Short Term Loans	1.459.641	490.611	741.006	525.080
Medium and Long Term Loans	3.501.172	12.720.066	1.500.007	9.102.668
Interest on Non-performing Loans	35.646	55.682	9.854	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	**4.996.459**	**13.266.359**	**2.250.867**	**9.627.748**

[1] Commission income from loans has been included to the interest on loans.

1.b Information on interest received from banks:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
The Central Bank of Turkey [1]	752	-	82	-
Domestic Banks	124.256	98.053	127.000	36.943
Foreign Banks	-	6.604	-	2.405
Branches and Head Office Abroad	-	-	-	-
Total	**125.008**	**104.657**	**127.082**	**39.348**

[1] *Interests given to the Turkish Lira and US Dollar portion of the CBRT Required Reserves, reserve options and unrestricted accounts have been presented under "The Central Bank of Turkey" line in the financial statements.*

1.c Information on interest received from marketable securities:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Financial Assets at Fair Value Through Profit and Loss	12.868	-	1.931	-
Financial Assets at Fair Value Through Other Comprehensive Income	2.999.177	333.688	599.562	392.997
Financial Assets Measured at Amortized Cost	4.097.551	975.369	3.338.292	659.068
Total	**7.109.596**	**1.309.057**	**3.939.785**	**1.052.065**

As stated in the accounting policies, the Parent Bank makes the valuation of the government bonds Indexed to Consumer Prices in its securities portfolio on the basis of the reference index on the date of issuance and the index calculated by taking into account the estimated inflation rate. The estimated inflation rate used in the valuation is updated when deemed necessary during the year.

As of December 31, 2024, the valuation of the said securities was calculated using the October 2023-October 2024 annual actual index rate (48.6%). (December 31, 2023: 61.4%).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement (continued)

1. Information on interest income (continued)

1.d Information on interest income received from associates and subsidiaries:

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	206.446	158.211

2. Information on interest expenses

2.a Information on the interest given to the loans used:

	Current Period		Prior Period	
	FC	TL	FC	TL
Banks	608.004	2.627.378	19.951	2.273.884
The Central Bank of Turkey	-	-	-	-
Domestic Banks	185.770	254.867	19.951	621.678
Foreign Banks	422.234	2.372.511	-	1.652.206
Branches and Head Office Abroad	-	-	-	-
Other Financial Institutions	-	4.760.930	-	3.636.572
Total (1)	**608.004**	**7.388.308**	**19.951**	**5.910.456**

(1) Commissions given to the Banks and Other Institutions are presented under interest expense.

2.b Information on interest expenses to associates and subsidiaries:

There is no interest expense to its associates and subsidiaries (December 31, 2023: None).

2.c Information on interest expense to securities issued:

	Current Period		Prior Period	
	FC	TL	FC	TL
Interest on securities issued (1)	83.202	3.708.905	88.709	1.568.068

(1) Commissions given to issuance have been included to interest expense.

3. Information on dividend income:

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss	30.206	18.959
Financial Assets at Fair Value Through Other Comprehensive Income	3.022	8.778
Other	3.841	4.212
Total	**37.069**	**31.949**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement (continued)

4. Information on net trading income (net)

	Current period	Prior period
Profit	**43.038.072**	**8.071.067**
Gains on capital market operations	235.660	135.791
Gains on derivative financial instruments (1)	7.603.158	5.677.593
Foreign exchange gains	35.199.254	2.257.683
Losses (-)	**45.114.817**	**6.339.577**
Losses on capital market operations	124.417	96.140
Losses on derivative financial instruments (1)	9.028.790	3.782.661
Foreign exchange losses	35.961.610	2.460.776

(1) The amount of profit arising from exchange rate changes related to derivative transactions in the amount of TL 3.670.715; In "Profit from Derivative Financial Transactions" (December 31, 2023: TL 3.468.608); TL (5.193.240) Amount of loss arising from exchange rate changes related to derivative transactions; It is included in the "Loss from Derivative Financial Transactions" (December 31, 2023: TL (1.851.292)).

5. Information related to other operating income

	Current Period	Prior Period
Provisions Released	789.642	209.999
Gains on Sale of Assets	535	1.613
From Associate and Subsidiary Sales	-	-
From Immovable Fixed Asset Sales	-	-
From Property Sales	535	1.613
From Other Asset Sales	-	-
Other (1)	1.613.798	870.052
Total	**2.403.975**	**1.081.664**

(1) Also includes the income amount of TL 540.391 related to the intermediary issues of Yatırım Varlık Kiralama A.Ş. (December 31, 2023: TL 135.445). The same amount is included in other operating expenses as well, and it is shown as gross without netting for reporting purposes.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement (continued)

6. The Group's expected loss provisions and other provision expenses

	Current Period	Prior Period
Expected Credit Loss	556.349	3.218.085
12 Months Expected Credit Loss (Stage 1) [2]	(172.190)	550.600
Significant Increase in Credit Risk (Stage 2)	357.163	1.356.763
Non-performing Loans (Stage 3)	371.376	1.310.722
Marketable Securities Impairment Expenses	2.523	1.111
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	2.523	1.111
Associates, Subsidiaries, and Entities under Common Control (Joint Venture) Value Decrease	-	-
Associates	-	-
Subsidiaries	-	-
Entities under Common Control (Joint Venture)	-	-
Other	330.000	870.000
Total	**888.872**	**4.089.196**

[1] As of the reporting date the free provision expense for possible losses amounting to TL300.000 has been incurred (December 31, 2023: TL 850.000).
[2] The provision cancellations made from Stage 1 loan provisions in the relevant period are shown netted under the item of expected loss provisions and other provision expenses.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidate ed income statement (continued)

7. Information related to other operating expenses

	Current Period	Prior Period
Reserve for Employee Termination Benefits	7.353	6.129
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	34.175	23.331
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	-
Amortization Expenses of Intangible Assets	3.311	3.808
Impairment on Subsidiaries Accounted for Under Equity Method	-	-
Diminution Expenses for Assets to be Disposed of	-	-
Depreciation Expenses of Assets Held for Resale	-	-
Impairment Expenses of Assets Held for Sale	-	-
Other Operating Expenses	571.224	396.643
Rent Expenses	11.679	10.545
Maintenance Expenses	24.092	10.861
Advertisement Expenses	6.840	3.400
Other Expenses (1)	528.613	371.837
Loss on Sales of Assets	-	-
Other (2)	756.849	314.119
Total	**1.372.912**	**744.030**

(1) It includes non-bank service expenses of TL 109.185, computer usage expenses of TL 111.395, and communication expenses of TL 30.400 (31 December 2023: It includes non-bank service expenses of TL 46.918, computer usage expenses of TL 37.823, and communication expenses of TL 17.891).

(2) It also includes an expense amount of TL 540.391 related to the issues of Yatırım Varlık Kiralama A.Ş. that it was brokered for. The same amount is also included as income in other operating income and is shown gross without netting for reporting purposes. In addition, it includes tax and duty expenses excluding corporate tax in the amount of TL 133.468; permit provisions expenses in the amount of TL 22.243 (31 December 2023: includes tax and duty expenses excluding corporate tax in the amount of TL 94.071; permit provisions expenses in the amount of TL 12.779).

8. Information on profit/loss before tax from continued and discontinued operations before tax

Income items for the period ending on 31 December 2024 include net interest income of 15.855.099 TL (31 December 2023: 10.708.845 TL), net fee and commission income of 819.727 TL (31 December 2023: 686.569 TL) and other operating income of 2.403.975 TL (31 December 2023: 1.081.664 TL).

The Group's pre-tax profit on December 31, 2024 increased by 46,47% compared to its previous period pre-tax profit Compared to the previous period, the Group's net interest income increased by 48,06%

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement (continued)

9. Information on tax provision for continued and discontinued operations

9.a Information on current tax charge or benefit and deferred tax charge or benefit:

The Group's current tax charge for the period is TL 2.487.822 (December 31, 2023: TL 3.045.111 expense). Deferred tax expense is TL 1.054.593 (December 31, 2023: TL 705.510 deferred tax income).

9.b Information related to deferred tax benefit or charge on temporary differences:

Deferred tax expense calculated on temporary differences is TL 1.054.593 (December 31, 2023: TL 705.510 income).

9.c Information related to deferred tax benefit/charge on temporary differences, losses, tax deductions and exceptions:

Not Available (31 December 2023: Not Available).

10. Explanations on net profit/loss from continued and discontinued operations:

The Group is increased the net profit by 44,85% for the period ended 31 December 2024 compared to prior period.

11. Information on net profit/loss

11.a The nature and amount of certain income and expense items from ordinary operation is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Group's performance for the period:

The Group has generated TL 30.331.870 of interest income, TL 14.476.771 of interest expenses, TL 819.727 of net fees and commission income from banking operations (December 31, 2023: TL 18.772.862 interest income, TL 8.064.017 interest expenses, TL 686.569 net fee and commission income).

11.b The effect of the change in accounting estimates to the net profit/loss; including the effects to the future period, if any:

There are no changes in the accounting estimates. (December 31, 2023: None).

11.c Minority share of profit and loss:

The current year loss attributable to minority shares is TL 134.773 (December 31, 2023: TL 184.882 Profit). The total shareholders' equity, including current year profit attributable to minority shares is TL 577.236 (December 31, 2023: TL 403.702).

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement (continued)

12. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below.

	Current Period	Prior Period
Other Fee and Commission Income Received		
Gains on Brokerage Commissions	297.423	248.390
Consulting Income	184.896	96.332
Commissions from Initial Public Offering	134.227	95.415
Investment Fund Management Income	53.212	24.427
Other	71.896	113.012
Total	**741.654**	**577.576**

V. Explanations related to consolidated statement of changes in shareholders' equity

1. Information related to capital

As of the balance sheet date, Paid in capital is TL 2.800.000, legal reserves is TL 644.389, extraordinary legal reserves is TL 14.050.300 .

2. Accumulated other comprehensive income or loss not reclassified through profit or loss

Changes in Accumulated other comprehensive income or loss not reclassified through profit or loss includes valuation differences related to tangible assets, Defined Benefit Pension Plan related to Actuarial gains, related to valuation differences of the shares that are being classified fair value through other comprehensive income are being valued at market value and value increase differences in investment in associates, subsidiaries and entities under common control.

3. Accumulated other comprehensive income or loss reclassified through profit or loss

Changes in Accumulated other comprehensive income or loss reclassified through profit or loss includes related to exchange differences of the shares that are being classified fair value through other comprehensive imcome and related to revaluation differences of fair value through other comprehensive income.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. Explanations related to consolidated statement of cash flows

1. Explanations about other cash flows items and the effect of changes in foreign exchange rates in cash and cash equivalents

Other earnings in the current period amounting to TL 838.690 consist of active sales revenues and non-interest income (December 31, 2023: TL 254.003 of other earnings, active sales revenues and non-interest income).

The banking activity consists of items such as amounting to TL 1.673.656 consist of derivative financial transaction losses, severance pay provision and depreciation expenses, other operating expenses and fees and commissions, and foreign exchange profit/loss, excluding taxes paid, which are included in the pre-change operating profit in assets and liabilities (December 31, 2023: TL 876.563 derivative financial transaction losses, provision for severance pay, excluding depreciation expenses and taxes paid, it consists of other operating expenses, fees and commissions and items such as foreign exchange profit/loss).

The net increase/decrease in other assets amounting to TL 20.064.340 in the current period (December 31, 2023: TL 3.435.217) consists of changes in miscellaneous receivables, other assets and reserve requirements. In the current period, the amount of TL 3.156.191 (December 31, 2023: TL 1.443.216) consists of the exchange of other liabilities account, mutual liabilities and funds obtained from repo transactions.

The impact of the change in the exchange rate on cash and cash equivalent assets in the current period was TL 386.165 (December 31, 2023: TL 903.643).

2. Information about cash flows from acquisition of associates, subsidiaries, and other investments:

In the current period, the Group invested TL 97.454 in securities and real estate and TL 3.417 in intangible assets.

In the previous period, the Group invested TL 55.399 in securities and real estate and TL 7.648 in intangible assets.

3. Information about disposal of associates, subsidiaries, and other investments:

In the current period, the Group generated a cash inflow of TL 698 from the sale of its securities and real estate. The Group has no disposed subsidiaries or affiliates in the current period.

The Group generated a cash inflow of TL 1.714 due to the sale of securities and real estate owned by the Group in the previous period. The Group has no disposed subsidiaries or affiliates in the current period.

4. Cash and cash equivalents at the beginning and end of period:

Cash and cash equivalents at the beginning of period:

	Beginning of the Current Period	Beginning of the Prior Period
Cash	1	2
Cash Equivalents	12.458.034	7.641.292
Total	**12.458.035**	**7.641.294**

Cash and cash equivalents at the end of period:

	End of the Current Period	End of the Prior Period
Cash	-	1
Cash Equivalents	9.552.995	12.458.034
Total	**9.552.995**	**12.458.035**

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. Explanations related to consolidated statement of cash flows (Continued)

5. Amount of cash and cash equivalents restricted for the usage of the Parent Bank and the shareholders by legal limitations and other reasons

Reserves amounting to TL 2.872.308 (December 31, 2023: TL 2.897.600) in Turkish Republic Central Bank represent Turkish Lira, foreign currency requirements of the Bank.

6. Additional information related to financial position and liquidity

6.a Any unused financial borrowing facility which can be utilized in banking operations and unpaid capital commitments and any restrictions on such facilities:

There are not any unused financial borrowing facilities which can be utilized in banking operations and unpaid capital commitments and any restrictions on such facilities.

6.b Apart from the cash flows needed to run ordinary operations of the Bank, total of cash flows that shows the increase in the operation capacity of the Bank:

Under current economical conditions, the cash flows are followed daily and cash flows showing the increase in the capacity of operations of the Bank are investigated.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

VII. Explanations on the risk group of the Parent Bank

1. Information on the volume of transactions related to the Parent Bank's own risk group, outstanding loan and deposit transactions and income and expenses of the period

1.a Current period:

Risk Group of the Parent Bank [1]	Affiliates and Subsidiaries		Direct and Indirect Shareholders of the Parent Bank		Other Elements Included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at the beginning of the period	2.325.017	2	597.442	-	-	-
Balance at the end of the period	2.039.383	2	307.580	-	-	-
Interest and commission income received	162.452	5.670	46.082	-	-	-

[1] The mutual transactions of the parent company Bank and the fully consolidated subsidiaries have been eliminated.

1.b Prior period:

Risk Group of the Parent Bank [1]	Affiliates and Subsidiaries		Direct and Indirect Shareholders of the Parent Bank		Other Elements Included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at the beginning of the period	1.496.337	2	592.026	-	-	-
Balance at the end of the period	2.325.017	2	597.442	-	-	-
Interest and commission income received	152.541	5.670	58.831	-	-	-

[1] Mutual transactions between the Parent Bank and its fully consolidated subsidiaries are eliminated.

1.c Information on deposit held by Parent Bank's own risk group:

The Parent Bank is not authorized to accept deposits.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

VII. Explanations on the risk group of the Parent Bank (Continued)

2. Information on forward and option agreements and other similar agreements made with related parties:

Risk Group of the Parent Bank [2]	Affiliates and Subsidiaries		Direct and Indirect Shareholders of the Parent Bank		Other Elements Included in the Risk Group	
	Non-Cash	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Fair Value Through Profit or Loss Transactions	-	-	-	-	-	-
Beginning of the Period	1.114.465	-	-	-	-	-
End of the Period	962.716	1.114.465	-	-	-	-
Total Profit/Loss [1]	(28.116)	(29.516)	-	-	(3.987)	-
Hedging Risk Transactions						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

[1] The previous period includes information up to December 31, 2023.

[2] Mutual transactions between the parent company Bank and fully consolidated subsidiaries have been eliminated.

3. Total salaries and similar benefits provided to the key management personnel

Benefits provided to key management personnel in the current period amount to TL 189.947 (December 31, 2023: TL 96.828).

VIII. Information and disclosures related to the domestic, foreign offshore branches and foreign representations of the Parent Bank

1. Information and disclosures related to the domestic, foreign branches and foreign representations of the Group

	Number	Number of Employees			
Domestic branches [1]	1	456			
			Country of Incorporation		
Foreign representations	-	-			
				Total Asset	**Statutory Share Capital**
Foreign branches	-	-		-	-
Off-shore banking region branches	-	-		-	-

[1] The total number of branches of the consolidated subsidiaries is 11 and the number of employees is 196.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

VIII. Information and disclosures related to the domestic, foreign offshore branches and foreign representations of the Parent Bank (Continued)

2. Explanation on opening, closing of a branch/agency of the Parent Bank or changing its organizational structure significantly:

In the current year, the Parent Bank has not opened any branch or agency and there is no significant change in the organization structure of the Parent Bank's operating branches. In the previous period, the Bank did not open any new branches or representative offices, and there was no significant change in the organization of the branches and representative offices.

SECTION SIX

OTHER EXPLANATIONS

I. Other explanations related to the operations of the Parent Bank

1.a Brief information related to rating carried out by international rating firms:

FITCH RATINGS

Long-term Maturity Foreign Currency (issuer)	B+
Long-term Maturity Foreign Currency Outlook (issuer)	Positive
Short-term Maturity Foreign Currency (issuer)	B
Long-term Maturity National Currency (issuer)	BB-
Long-term Maturity National Currency Outlook (issuer)	Stable
Short-term Maturity National Currency (issuer)	B
Support Note	b+
Base Support Note	AA
National Note	Stable
National Note Outlook	b+

International credit rating agency Fitch Ratings updated the Bank's credit ratings on 17 September 2024.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION SIX (Continued)

OTHER EXPLANATIONS (Continued)

I. Other explanations related to the operations of the Parent Bank (continued)

1.a Brief information related to rating carried out by international rating firms: (Continued)

MOODY'S

Reference Credit Rating Note	b2
Foreign Currency (issuer)	
Long-term Maturity	B1
Outlook	Positive
Short-term Maturity	NP
Domestic Currency (issuer)	
Long-term Maturity	B1
Outlook	Positive
Short-term Maturity	NP
Unsecured Debt-Foreign Currency (issuer)	
Long-term Maturity	B1
Outlook	Positive
Reference Credit Evaluation Score	b2

Information above represents updated information by Moody's as of July 23, 2024

1.b Informations on corporate governance rating of the Parent Bank:

SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (SAHA Corporate Governance and Credit Rating Services A.Ş.), a corporate governance rating institution with Capital Markets Board license, updated the Bank's corporate governance rating of 96,67% (9,67 over 10) as of October 18, 2024. Ratings under the main topics of weighted Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors are declared as; 9,51 (Weight: 25%), 9,87 (Weight: 25%), 9,89 (Weight: 15%), 9,54 (Weight: 35%) over 10 respectively.

1.c Fee information related to the services that the Bank receives from an Independent Auditor or an Independent Audit Firm:

In accordance with the decision of the POA dated March 26, 2021, the fee information for the reporting period regarding the services received from the independent auditor and other independent audit firms, on the amonuts excluding VAT, is as follows given in the table. These fees for services rendered to the Bank and its subsidiaries are included.

	Current Period	**Prior Period**
Independent audit fee for the reporting period	8.029	2.534
Fees for tax consulting services	1.372	929
The cost of other assurance services	16.722	6.689
The cost of other services outside the independent audit	113	236
Toplam	**26,236**	**10.388**

II. Other explanations related to the events after the reporting date

None.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish, see in note 1. of section three)

SECTION SEVEN

AUDITORS' REPORT

I. Explanations on the auditors' report

The consolidated financial statements prepared as of December 31, 2024 and for the period ending on the same date were audited by PwC Independent Auditing and Certified Public Accountants Inc., and the audit report dated February 4, 2025 was presented before the consolidated financial statements.

II. Explanations and notes prepared by independent auditors

There are no other explanations and notes not expressed in sections above related with the Group's operation.

Contact

TSKB Climate Change and Sustainability Management

Meclisi Mebusan Cad. 81 Fındıklı, Beyoğlu, İstanbul 34427 - Türkiye

T: +90 212 334 50 50

F: +90 (212) 334 52 34

Kep Address: tskb@hs02.kep.tr

Mersis No: 0879003330900013

Integrated reporting consultancy, content development, Turkish and English editing, design services

TAYBURN®

T: +90 212 227 0436
www.tayburnkurumsal.com
Brands & Reputations.

TH YEAR

TSKB

www.tskb.com.tr