

**TÜRKİYE KALKINMA  
VE YATIRIM BANKASI A.Ş.  
Financial Statements of TKYB  
Emergency Firm Support Project  
(Loan No: 9159-TR)  
With Independent Auditors' Report  
As at 31 December 2023**



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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF TKYB  
Emergency Firm Support Project (THE "PROJECT"), FINANCED UNDER THE  
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("IBRD") LOAN  
NO. 9159-TR AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2023**

To the Board of Directors of Türkiye Kalkınma ve Yatırım Bankası A.Ş.

**Report on the Audit of Financial Statements**

*Opinion*

We have audited the special purpose project financial statements of Türkiye Kalkınma ve Yatırım Bankası A.Ş. (the "Bank" or "TKYB"), which comprise the designated account statement and project balance sheet by TKYB and the notes comprising significant accounting policies and other explanatory information as at and for the year ended at 31 December 2023 (together referred as "the project financial statements").

In our opinion, the accompanying special purpose project financial statements are prepared in all material respects, in accordance with the cash basis of accounting described in Note 3.

*Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Project Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the (consolidated) financial statements in Türkiye and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### **Emphasis of Matter – Basis of Accounting and Restriction on Distribution**

We draw attention to Note 3 to the project financial statements, which describes the basis of accounting. The project financial statements are prepared to assist the Bank management to comply with the requirements of International Bank for Reconstruction and Development. As a result, the project financial statements may not be suitable for another purpose. Our report is intended solely for the Bank management and International Bank for Reconstruction and Development and should not be used by or distributed to parties other than the Bank management and International Bank for Reconstruction and Development. Our opinion is not modified in respect of this matter.

### **Responsibilities of Management and Those Charged with Governance for the Project Financial Statements**

Management is responsible for the preparation of the project financial statements in accordance with accounting policies set out in Note 3 to the accompanying project financial statements, for determining the acceptability of the basis of accounting, and for such internal control as management determines is necessary to enable the preparation of project financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the project 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.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Project Financial Statements**

Our objectives are to obtain reasonable assurance about whether the project financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 project financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the project 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.



- Obtain an understanding of 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's 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 project 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 auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

#### **Other Matter**

The Bank has prepared a separate set of financial statements for the year ended 31 December 2023 in accordance with the Banking Regulation and Supervision Agency Accounting and Reporting Legislation on which we issued a separate auditor's report to the shareholders of the Bank dated 8 February 2024.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Orhan Akova  
Partner

18 July 2024  
İstanbul, Türkiye

**TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.**  
**TKYB EMERGENCY FIRM SUPPORT PROJECT**  
**LOAN NO: 9159-TR AT 31 DECEMBER 2023**  
*(Amounts are expressed in USD, unless otherwise stated)*

<b><u>PROJECT BALANCE SHEET</u></b>	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>ASSETS</b>	<b>160.625.000</b>	<b>120.625.000</b>
Up-Front Fee	625.000	625.000
Designated Account (*)	50.000.000	30.000.000
Amounts due from Participating Financial Institutions	110.000.000	90.000.000
<i>Denizbank A.Ş.</i>	<i>20.000.000</i>	<i>20.000.000</i>
<i>Garanti Finansal Kiralama A.Ş.</i>	<i>10.000.000</i>	<i>10.000.000</i>
<i>İş Finansal Kiralama A.Ş.</i>	<i>10.000.000</i>	<i>10.000.000</i>
<i>Yapı Kredi Finansal Kiralama A.Ş.</i>	<i>50.000.000</i>	<i>30.000.000</i>
<i>Yapı ve Kredi Bankası A.Ş.</i>	<i>20.000.000</i>	<i>20.000.000</i>
<b>Amount due to IBRD</b>	<b>160.000.000</b>	<b>120.000.000</b>
Credit Line	160.000.000	120.000.000
Up-Front fee	625.000	625.000
<b>TOTAL LIABILITIES</b>	<b>160.625.000</b>	<b>120.625.000</b>

(\*) Not used for purchase as credits.

**TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.**  
**TKYB EMERGENCY FIRM SUPPORT PROJECT**  
**LOAN NO: 9159-TR AT 31 DECEMBER 2023**

*(Amounts are expressed in USD, unless otherwise stated)*

<b>Designated Account Statement</b>	<b>2023</b>	<b>2022</b>
Opening balance as at 1 January	30.000.000	30.000.000
Special account	-	-
IBRD advances year to date	40.000.000	70.000.000
<b>Total funds available</b>	<b>50.000.000</b>	<b>100.000.000</b>
Refund to IBRD from designated account during the year	-	-
Loans advanced/expenses paid in period	(20.000.000)	(70.000.000)
<b>Closing Balance as at 31 December</b>	<b>50.000.000</b>	<b>30.000.000</b>
Balance per designated account statement	50.000.000	30.000.000

## **NOTES TO THE PROJECT FINANCIAL STATEMENTS**

### **1- Objectives and Nature of The Project**

The objective of the Project is to ensure access to finance for private SMEs affected by or adapting to the economic impact of COVID-19. The loan amount allocated to the project is USD 500.000.000. Türkiye Kalkınma ve Yatırım Bankası A.Ş. (“TKYB” or “the Bank”) signed a loan agreement with International Bank for Reconstruction and Development (“IBRD”) for a loan of USD 250.000.000 on 9 September 2020 for TKYB to finance the TKYB Emergency Firm Support Project.

### **2- Operations of The Project Implementing Agency**

TKYB was founded in Ankara as Devlet Sanayi ve İşçi Yatırım Bankası in 1975, under the control of the Ministry of Industry. The Bank was founded by the State mainly to promote investment in certain sectors of the country.

With the decision of the “Supreme Planning Board” dated 20 January 1989, the Bank has been merged with the T.C. Turizm Bankası A.Ş.

The name of the bank has been changed as Türkiye Kalkınma Bankası A.Ş. in 1988 following a decision of the Council of Ministers and on 24 October 2018 it has been changed as Türkiye Kalkınma ve Yatırım Bankası A.Ş.

The Bank is subject to the registered capital system. 99,08% of the capital is owned by the Undersecretariat of Treasury of the Turkish Republic and the remaining shares are quoted in the Borsa İstanbul.

The Bank currently provides investment-banking services mainly to the financing of industry, tourism, education, health and energy sectors. Besides supplying loans in medium and long terms to the abovementioned sectors, the Bank also participates in other activity fields like project assessment, leasing, rehabilitation, equity participation, fund management, banking operations and training activities.

### **3- Main Accounting Policies**

The Bank uses the cash basis of accounting to account for project transactions. Accordingly, the Bank does not calculate any interest income and expense accrual for the related period.

### **4- Restricted Use of Funds**

In accordance with the loan agreement between the Bank and the IBRD, the funds available in the Designated Account are restricted to project purposes only.

**TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.**  
**TKYB EMERGENCY FIRM SUPPORT PROJECT**  
**LOAN NO: 9159-TR AT 31 DECEMBER 2022**  
*(Amounts are expressed in USD, unless otherwise stated)*

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**NOTES TO THE PROJECT FINANCIAL STATEMENTS**

**5- Uses of Funds by Loan Customer**

<b>Project Activities</b>	<b>Year to Date</b>	<b>Cumulative to Date</b>
Denizbank A.Ş.	-	20.000.000
Garanti Finansal Kiralama A.Ş.	-	10.000.000
İş Finansal Kiralama A.Ş.	-	10.000.000
Yapı Kredi Finansal Kiralama A.Ş.	20.000.000	50.000.000
Yapı ve Kredi Bankası A.Ş.	-	20.000.000
<b>Total Loans Extended</b>	<b>20.000.000</b>	<b>110.000.000</b>
Up-front fee	-	-
<b>Total Uses of Funds</b>	<b>20.000.000</b>	<b>110.000.000</b>



**NOTES TO THE PROJECT FINANCIAL STATEMENTS**

**6- Designated Account Detailed Account Statement**

<i>DA Statement</i>	<i>Value Date</i>	<i>Withdrawal from IBRD</i>	<i>Disbursement to Beneficiary Enterprises</i>	<i>Remarks</i>
Withdrawal	06.01.2021	625.000	-	IBRD
Withdrawal	06.01.2021	-	625.000	IBRD
Withdrawal	30.03.2021	10.000.000	-	IBRD
Disbursement	31.03.2021	-	10.000.000	Yapı Kredi Finansal Kiralama A.Ş.
Withdrawal	26.05.2021	40.000.000	-	IBRD
Disbursement	24.06.2021	-	10.000.000	Garanti Finansal Kiralama A.Ş.
Disbursement	01.02.2022	-	10.000.000	İş Finansal Kiralama A.Ş.
Withdrawal	08.06.2022	30.000.000	-	IBRD
Disbursement	21.06.2022	-	20.000.000	Denizbank A.Ş.
Disbursement	29.06.2022	-	20.000.000	Yapı ve Kredi Bankası A.Ş.
Withdrawal	04.11.2022	40.000.000	-	IBRD
Disbursement	08.11.2022	-	20.000.000	Yapı Kredi Finansal Kiralama A.Ş.
Disbursement	14.09.2023	-	20.000.000	Yapı Kredi Finansal Kiralama A.Ş.
Withdrawal	06.12.2023	40.000.000	-	IBRD
<b>Total Loans Extended</b>		<b>160.625.000</b>	<b>110.625.000</b>	

**NOTES TO THE PROJECT FINANCIAL STATEMENTS**

**7- INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“IBRD”)**

**Loan**

IBRD agrees to lend to the Borrower the amount of two hundred fifty million Dollars (USD 250.000.000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the Borrower's Respective Part of the Project.

**8- Subsequent Events**

None.