



**DEVELOPMENT
INVESTMENT**
BANK OF TÜRKİYE

INTEGRATED REPORT 2025

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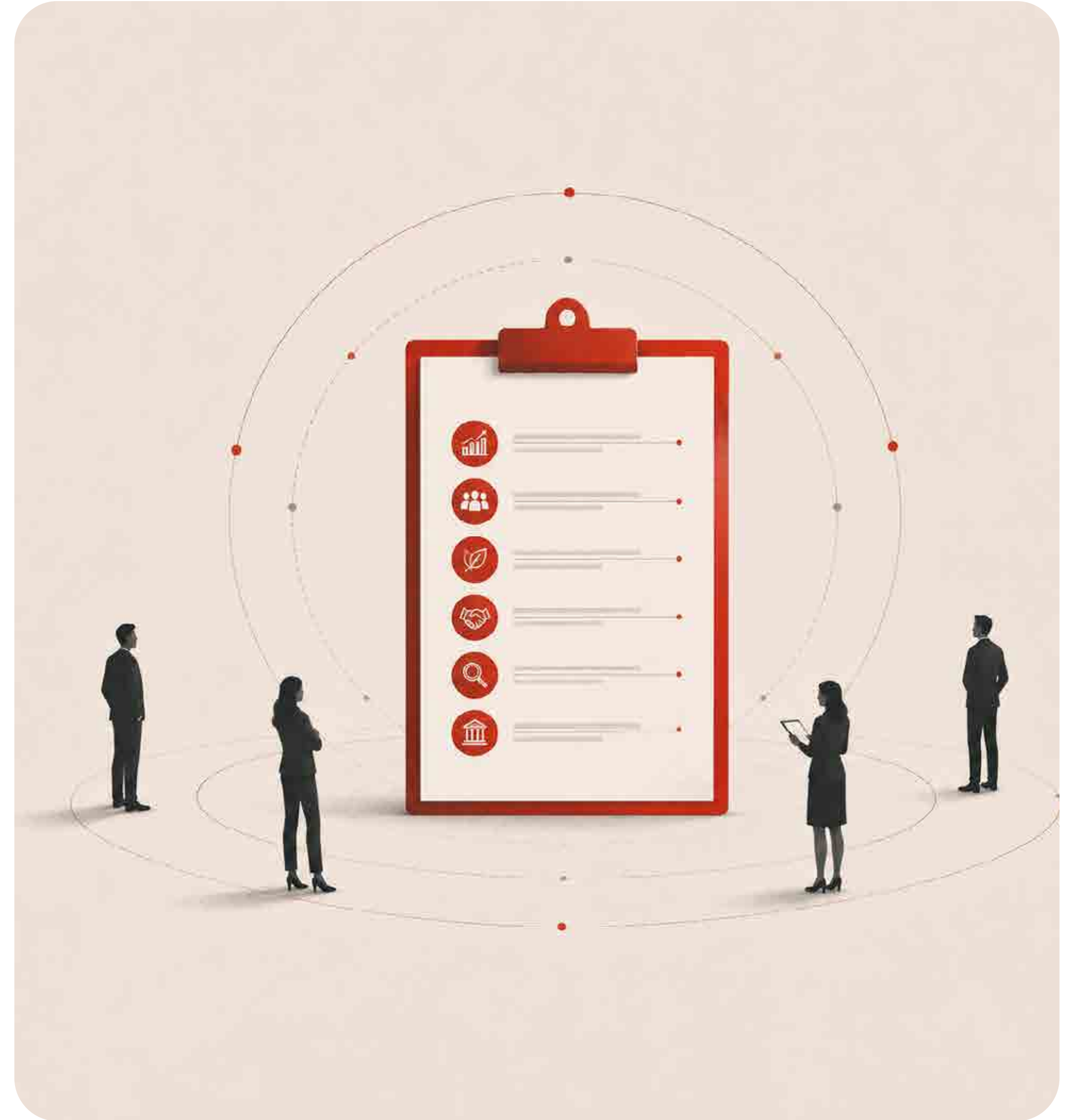
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IMPACT-DRIVEN FINANCING

Achieving the Sustainable Development Goals is made possible by directing financial resources toward the right areas. In 2025, we increased the share of sustainability-linked loans in our total loan portfolio to 96%, continuing to channel financing toward investments that generate economic, environmental, and social value. In this way, we not only supported projects but created a holistic impact ecosystem that contributes to Türkiye's sustainable development goals.

96%

Sustainability-linked loan
portfolio



IMPACT-AMPLIFYING ENERGY TRANSITION

Renewable energy investments form a broader impact ecosystem that extends beyond energy generation to advancing low-carbon development, energy security, and climate resilience. Through the projects we finance, we contribute to Türkiye's energy transition while producing measurable climate impact. Each new investment helps strengthen the link between a cleaner energy future and economic growth.

3.9
million tons

Contribution to CO₂
emission reductions



IMPACT-SHAPING STANDARDS

A strong impact ecosystem grows through common principles and shared goals. Through sector-leading efforts and our initiatives aligned with international sustainability frameworks, we contribute to the development of sustainable finance in Türkiye and help create the standards of transformation. With this approach, we are positioned among the institutions that not only adapt to change but participate in shaping its direction.

2.7
USD billion

Loans dedicated
to the SDGs



IMPACT-EXPANDING PARTNERSHIPS

The impact of development is strengthened when it extends beyond economic outcomes and delivers social benefits. Through our international partnerships supporting women's empowerment, inclusive growth, and equal opportunities, we are expanding the social dimension of our impact ecosystem. By means of these collaborations supporting social development, we build shared value for a more inclusive and resilient future.

41%

Share of female employees



IMPACT-ELEVATING TRUST

The lasting value of impact is as important as its measurability and accountability. Through our internationally recognized reporting approach and the impact reports we publish, we provide our stakeholders with transparent, reliable, and comparable information. This approach, which makes our impact visible, also establishes the foundation of the trust we build with our stakeholders.

96%

Sustainability-linked loans
as a share of the portfolio



ABOUT THE REPORT

These reports are published annually, and this report covers the period from January 1, 2025 to December 31, 2025. The report takes a holistic approach to the Bank's sustainability practices, corporate strategy and governance approach, performance, and the impacts of these elements on sustainable development. Development and Investment Bank of Türkiye A.Ş.'s (TKYB) Integrated Report 2025 represents the sixth integrated report published by the Bank. This report primarily presents information regarding the Development and Investment Bank of Türkiye A.Ş. (TKYB), and the scope of the integrated report is limited to TKYB; however, the consolidated financial statements also include the financials of Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. and Kalkınma Yatırım Varlık Kiralama A.Ş. The other companies listed below are affiliates of our Bank, and their relevant impacts are taken into consideration during the reporting process.

- Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş.
- Kalkınma Yatırım Varlık Kiralama A.Ş.
- Birleşik İpotek Finansmanı A.Ş.
- JCR Avrasya Derecelendirme A.Ş.
- Türkiye Yatırım İnisiyatifi – İVCİ (Alt Fon)
- Tasfiye Halinde Arıcak Turizm ve Ticaret A.Ş.¹
- MAKSAN Malatya Makina Sanayi A.Ş.
- TAKASBANK İstanbul Takas ve Saklama Bankası A.Ş.

The deregistration of our liquidating subsidiary, T.H. Kalkınma Yatırım Menkul Değerler A.Ş., from the trade registry was completed on 05.04.2024, officially ending the Bank's affiliate relationship with Kalkınma Yatırım Menkul Değerler A.Ş. (in liquidation) the company.

The Integrated Report 2025 has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and is based on the International Integrated Reporting Framework, supported by the Value Reporting Foundation. The report also serves as the Communication on Progress (CoP) under the

United Nations Global Compact, of which the Bank is a signatory. Through this report, TKYB shares its commitments under the Principles for Responsible Banking of the United Nations Environment Programme Finance Initiative (UNEP-FI), a framework in which TKYB was among the founding signatories in 2019. In addition, the report has been structured in line with a reporting approach aligned with the principles of the Türkiye Sustainability Reporting Standards (TSRS), developed in accordance with these standards. To support transparency, the GRI Content Index and the reporting indices relating to the UNEP-FI/Principles for Responsible Banking are presented in the appendices section.

While TKYB conducts its financial reporting on a calendar-year basis (January 1, 2025–December 31, 2025), it has chosen to define its integrated reporting period over a different time frame. This preference has been adopted in line with the objectives of enabling more effective collection and analysis of sustainability data and ensuring alignment with the TSRS reporting window. We evaluate sustainability performance from a long-term perspective, incorporating sectoral trends and the national and international sustainability agenda into the preparation of this report. This approach aims to strengthen transparency in financial and sustainability reporting. Certain environmental and social indicators included in the report have been subject to limited assurance review by an independent third party.

Our Bank applies the necessary accounting and presentation arrangements to ensure that the contribution of non-controlling (minority) interests is accurately reflected in the financial statements. These arrangements aim to fairly account for the relevant shares of shareholders outside the Bank's control, thereby ensuring that the financial statements present a true and fair view of the Bank's capital structure and the economic interests of its stakeholders.



The external audit and assurance activities conducted during the reporting period were carried out in collaboration with Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. There is no conflict of interest or relationship that could compromise the impartiality of the assurance process. External assurance processes within the Bank are structured and carried out in accordance with established policies and practices. External audit activities are performed regularly, with the contribution of independent and competent audit firms, to support the accuracy and reliability of financial reporting. In addition, efforts continue to strengthen and continuously improve internal control mechanisms; the highest governance body and senior management actively participate in external assurance processes, providing managerial support aimed at enhancing the effectiveness of the process.

In 2025, our Bank's external assurance process focuses particularly on carbon emissions, water use, and social impact areas. In this context, the GRI Standards and the Portfolio Emissions Calculation Methodology serve as the basis, while the assurance standards applied are determined in accordance with limited assurance requirements. The assurance work included in the report is based on the ISAE 3000 and ISAE 3410 standards. However, due to the nature of external assurance services, certain limitations exist; the limited assurance engagement is confined to the review of selected information and data relating to environmental, social, and governance performance indicators.

Making the Integrated Report 2025 accessible to all stakeholders and effectively collecting their feedback remain our top priorities. In this regard, in line with our environmental and social responsibility approach, a limited number of printed copies of the report have been preferred, while the scope and visibility of digital access channels have been expanded.

You may share any opinions, suggestions, or questions regarding our sustainability reporting via **TKYBsurdurulebilirlik@kalkinma.com.tr**.

Unless otherwise explicitly stated, the terms "Kalkınma Yatırım Bankası," "TKYB," "the Bank," and "our Bank" used throughout the report refer to Development and Investment Bank of Türkiye A.Ş. Similarly, the term "Report" used within the report refers to the Development and Investment Bank of Türkiye A.Ş. Integrated Report 2025. The "✓" symbol used in the report indicates that the relevant data and information have been reviewed by the Independent Audit Firm within the scope of limited assurance.

¹ Due to bankruptcy, the liquidation process of our subsidiary Arıcak Turizm ve Ticaret A.Ş. (in liquidation) has been completed, and the Company was deregistered from the Trade Registry on 05.03.2026.

MANAGEMENT MESSAGES

A holistic approach that shapes the future

“

Development and Investment Bank of Türkiye A.Ş., with its institutional accumulation spanning half a century and its expertise in the field of development and investment banking, has once again resolutely fulfilled its responsibility of contributing to our country's priority development goals in 2025.

203.6

TRY billion

TKYB's total assets
in 2025

CHAIRMAN OF THE BOARD'S ASSESSMENT

Dear Stakeholders,

We are going through a period in which the global economy is being reshaped, with the fight against climate change, resource efficiency, technological transformation, and inclusive growth at the center of the development agenda. In this new period, sustainable growth is being addressed through a holistic approach that goes beyond financial growth, encompassing environmental responsibility, societal benefit, and long-term value creation. In line with this understanding, Development and Investment Bank of Türkiye A.Ş., with its institutional accumulation spanning half a century and its expertise in the field of development and investment banking, has once again resolutely fulfilled its responsibility of contributing to our country's priority development goals in 2025.

As of the end of 2025, our Bank's asset size, which maintained a strong financial performance trend, reached approximately TRY 203.6 billion, growing by around 33% compared to the previous year. In the same period, our loan volume increased by 31% to reach TRY 123.7 billion, while our net profit rose by 46% to TRY 9 billion. With the ratio of gross non-performing loans to total loans realized at 0.46%, our Bank's strong asset quality and balance sheet structure have been maintained.

The strong collaborations developed with international financing institutions, while increasing the diversity of resources available to our Bank, have also made significant contributions to bringing to life investments aligned with our country's development priorities. In 2025, the resources provided were directed toward priority areas such as digitalization, green transformation, infrastructure investments, and increasing production capacity, as well as regional development, thereby strengthening the transformation capacity of the real sector.



MANAGEMENT MESSAGES

A strong contribution to the development of capital markets

“

For TKYB, sustainability is a strategic approach shapes all corporate decision-making processes — from risk management to resource allocation, and from stakeholder relations to impact measurement.

6.3

TRY billion

TKF's assets under
management in 2025

Furthermore, our Bank contributes to the development of capital markets and the strengthening of Türkiye's investment ecosystem by supporting them with equity capital, leveraging its deep-rooted experience in development banking alongside its authorities in investment banking.

As of the end of the year, the Türkiye Development Fund, which manages resources of TRY 6.3 billion and has reached 210 investees, has become a strategic platform offering the opportunity to bring investments to life that will scale up entrepreneurship, commercialize technology companies, and increase our country's competitive strength.

For our Bank, sustainability is a strategic approach shapes all corporate decision-making processes — from risk management to resource allocation, and from stakeholder relations to impact measurement. Within this framework, we adopt a financing approach aligned with our long-term goals under the headings of combating climate change, energy transformation, resource efficiency, and sustainable production, while prioritizing projects that generate environmental and economic value.

In the coming period, as Development and Investment Bank of Türkiye, we will continue to support sustainable growth in line with our country's development goals, creating added value in the field of technology, and, in doing so, not compromising the long-term value we create in our projects. On this occasion, I extend my gratitude to all our colleagues and stakeholders who have contributed to our Bank's achievements, and I look forward with confidence to growing further together on Türkiye's path toward sustainable development.

Bekir BAYRAKDAR
Chairman of the Board of Directors



MANAGEMENT MESSAGES

Continuous support for production and employment

“

In 2025, we not only maintained our financial performance and strong growth momentum but also further strengthened our balance sheet structure and increased the support we provide to the real economy.

123.7

TRY billion

Loan volume for 2025

GENERAL MANAGER'S ASSESSMENT

Dear Stakeholders,

We are going through a period in which the world is being addressed with an approach to economic, environmental, and social transformation that is more holistic and value-oriented than ever before. In this new period, development banks play a critical role in supporting countries' more resilient and sustainable growth through long-term resource provision capacities and strategic investment financing models.

As Development and Investment Bank of Türkiye, in line with our mission of development and investment banking, we continued in 2025 to provide resources for projects focused on Türkiye's green and inclusive growth. With the collaborations we built internationally, we responded not only to today's needs but also served as the financing power supporting tomorrow's production, employment, environmental transformation, and regional development. In this way, we strengthened our role as a reliable solution partner in line with our country's priority development goals, which we have carried forward for years.

In 2025, we not only maintained our financial performance and strong growth momentum but also further strengthened our balance sheet structure and increased the support we provide to the real economy. In this context, as Development and Investment Bank of Türkiye, our asset size reached TRY 203.6 billion at year-end, growing by 33% compared to the previous year, while our loan volume increased by 31% to reach TRY 123.7 billion. Our net profit for 2025 has been recorded at approximately TRY 9 billion, an increase of around 46% compared to the previous year.



MANAGEMENT MESSAGES

A trusted presence in the international financing ecosystem

“

Within the scope of our investment banking activities, we continued to offer suitable financial solutions and advisory services addressing the needs of our public and private sector clients.

1.3
USD billion

Total amount of loan agreements signed with leading international financial institutions in 2025

Our strong financial performance was not limited to the growth capacity of our Bank alone; it also served as concrete proof of the contribution we provide to Türkiye's sustainable and inclusive growth journey.

Through the strong international collaborations, we developed over the past year alongside our stakeholders, we continued to enhance Türkiye's economic resilience and support investments that accelerate green transformation and strengthen social inclusiveness. In this context, we secured total loan agreements of approximately USD 1.3 billion and EUR 50 million with leading international financing institutions such as the World Bank, the Asian Infrastructure Investment Bank, the Asian Development Bank, the Chinese Development Bank, and the Italian Development Bank.

The resources in question supported employment generation in earthquake-affected regions, climate financing, digital transformation, renewable energy investments, and strategic areas such as production and regional development, directing them toward long-term financing access for the real sector. Through these collaborations, while reinforcing our Bank's reliable position within the international financing ecosystem, we placed our determination to make a lasting contribution to Türkiye's sustainable and inclusive growth goals at the forefront.

Within the scope of our investment banking activities, we continued to offer suitable financial solutions and advisory services addressing the needs of our public and private sector clients. In this context, we continued to provide financial advisory services in energy plant and port projects conducted under the Privatization Administration; we offered advisory services for numerous projects in the technology, retail, agriculture,



circular economy, tourism, and energy sectors. In addition, as the Bank, we took our place among the sell-side advisors in the discussions aimed at establishing a strategic partnership between the e-commerce solutions provider Ticimax and the European-headquartered global technology group team.blue.

Since 2019, we have preserved our strong position among Türkiye's leading investment banking advisors, having completed more than 100 investment banking projects and 25 mergers and acquisitions transactions in our country.

In the area of capital markets, in 2025 as well, we supported the real sector's access to alternative financing sources. In this direction, the Kalyon PV public offering, completed under our Bank's advisory with a size of TRY 3.3 billion, became one of the significant transactions contributing to the financing of renewable energy investments through the capital markets. Additionally, through our Bank's sukuk (lease certificate) issuances, we contributed to the development of the financing ecosystem by offering end-to-end advisory and intermediary services.

MANAGEMENT MESSAGES

Strategic investment in deep technologies

“

In line with our sustainable development goals, we continued to prioritize the financing of projects with high environmental and social impact in 2025 as well.

56%

TKYB's financing ratio within the scope of the Sustainable Development Goals

We continued resolutely with our efforts to strengthen Türkiye's technology and innovation capacity through venture capital and private equity investments as well. As of year-end, under the Türkiye Development Fund (TDF) umbrella, we reached a resource size of TRY 6.3 billion and 210 investees. Throughout 2025, we made investments directly through a total of 26 companies (21 new and 5 ongoing) totaling USD 20.7 million, contributing to the growth of the entrepreneurship ecosystem.

Under the TÜBİTAK BiGG Fund, we invested USD 4.1 million in 185 early-stage ventures, while through TKYB's Top Fund, we provided funding to 5 different funds totaling USD 22 million. Under the Regional Development Fund, investments were made in three companies, and under the Innovative and Leading Technology Companies Participation GSYF, we operated with a strategic focus on five companies. In addition, through Invest101 and the Technology and Innovation Fund, we continued to support innovative ventures focused on biotech, AI, mobile, health technologies, and software areas.

From the establishment of the Türkiye Development Fund until the end of 2025, the total resources provided within the scope of the entrepreneurship ecosystem, together with direct investments, fund investments, and support under the TÜBİTAK BiGG program, reached USD 88 million.

In line with our sustainable development goals, we continued to prioritize the financing of projects with high environmental and social impact in 2025 as well. In this context, as of the end of 2025, our sustainability-themed loan portfolio constituted 96% of our total loan portfolio, and the financing ratio provided within the scope of Sustainable Development Goals aligned with the

climate agenda reached 56%. Our Bank took part in the financing of approximately 97% of Türkiye's renewable energy projects; the projects financed contributed to a reduction of approximately 3.9 million tons of CO₂ emissions.

Our Bank published its Sustainability Report and Integrated Report in compliance with TSRS and GRI standards, and shared its Impact Management Working Principles and its fourth Impact Report with its stakeholders. As the first public bank to become a member of PCAF (Partnership for Carbon Accounting Financials), we calculated our Scope 3 emissions in accordance with international standards using the PCAF methodology and continued our determination to be a pioneer in the banking sector's carbon transition.

In our reporting, alongside the steps we took in impact management and carbon accounting processes, we further concretized our approach to sustainable finance by making it more measurable, transparent, and impact-focused; we closely monitor the low-carbon economy transition of the real sector and demonstrate our determination to develop financing solutions aligned with Türkiye's climate goals.

Our efforts in the field of institutional sustainability have continued to be recognized at national and international platforms. In the area of sustainable finance, our Bank was deemed worthy of the "Best Development Bank for Sustainable Finance in Central & Eastern Europe" award, while our Bank's TSRS-Compliant Sustainability Report and Integrated Report also received awards under the Asia Integrated Reporting Awards. As the first bank in Türkiye to receive TNFD Adopter status, we further reinforced our pioneering approach in nature and climate-focused risk management.

Our Bank's sustainable success is fundamentally based on our qualified human resources, our strong corporate culture, and our efforts geared toward continuously developing employee experience. In this context, in 2025 as well, we placed human resources practices, talent management, employee engagement, and inclusive corporate culture at the forefront. We earned the pride of being the first public bank to receive the Great Place to Work certification for the third consecutive year, and our achievements in human resources practices were recognized with numerous awards on international platforms.

Alongside the contribution to development we provided to our employees, we also prioritized reaching a broader audience with sustainable development awareness. In this direction, through the Digital Development Academy, which we brought to life to raise young people's awareness of sustainable development goals, we aimed not only to develop knowledge and competencies for today but to invest in future generations' responsible and equipped skills.

In the coming period, we will continue resolutely with our efforts in our country's sustainable development, contributing to the economy, strengthening the entrepreneurship ecosystem, and developing innovative solutions. On this occasion, I would like to thank our Board of Directors, led by the T.C. Ministry of Treasury and Finance, our colleagues, and all our stakeholders for their contributions to our Bank's achievements; I would like to once again emphasize our determination to continue creating value for our country.

İbrahim H. ÖZTOP

General Manager and Member of the Board of Directors

MANAGEMENT MESSAGES

First in the world under the SBTi FINZ Standard

“

In line with this understanding, we are building a concrete roadmap for our goals, based on scientific benchmarks, measurable indicators, and internationally accepted methodologies.

SUSTAINABILITY LEADER'S MESSAGE

Dear Stakeholders,

While financing today's investments, development banking bears the responsibility of jointly observing tomorrow's economic, societal, and natural capital. Because the true value of financing is measured not only by the resources provided, but also by which transformations it enables and what kind of foundation it lays for future generations in terms of the risks it mitigates.

As Development and Investment Bank of Türkiye, we view sustainability activities not as a field of work alongside our own, but as an integral part of our development banking mission, serving as the fundamental governance discipline that determines the nature of our financing decisions and development impact. We consider it our responsibility to direct capital toward areas that will accelerate a low-carbon, resource-efficient, nature-compatible and socially inclusive economic transition.

In line with this understanding, we are building a concrete roadmap for our goals, based on scientific benchmarks, measurable indicators, and internationally accepted methodologies.

We are the first bank in the world whose targets have been approved under the "Financial Institutions Net-Zero Standard (FINZ)" methodology developed by SBTi (Science Based Targets initiative) for financial institutions in 2025, within the scope of our approach. This pioneering step is significant for us not only in terms of being an achievement at the international level, but also in that it ties our climate targets into a concrete, traceable, and accountable transformation roadmap extending to the activities we finance.



MANAGEMENT MESSAGES

Türkiye's only bank recognized as a TNFD Adopter

“

In every investment we evaluate, we regard financial feasibility together with environmental and social risks, climate resilience, and impacts on nature as a fundamental condition, along with the sustainable development value we will create.

1.16

USD billion

Current loan balance provided to the renewable energy portfolio

Beyond the recognition that knowledge provides in the fight against climate change, we are aware that a holistic transformation extending to the future is required to be sustainable. Economic activities are dependent, beyond the loss of value they cause on water, soil, ecosystem services, and biological diversity, on natural systems as well. Deterioration in nature, beyond environmental impacts, also directly threatens production chains, asset values, investment decisions, and ultimately the resilience of the financial system. For this reason, we manage climate and nature not as separate but as interconnected components of the same system's interaction.

As Türkiye's only TNFD Adopter Bank, in 2025 we published our nature-focused financial disclosures compliant with TNFD recommendations for the first time in our reporting cycle. Through this report, we place at the center of our value assessment mechanisms not only the risks and opportunities that our lending activities create through their interaction with nature, but also the impacts and dependencies they bring along, as an integral part of our financial decision-making, reflecting them into our decision-making mechanisms in a more systematic manner.

In our initial analysis, we identified the sectors in the financing portfolio where our Bank's most significant impact and dependency on nature emerges. We evaluated the current credit balance of approximately USD 1.16 billion from the study covering 78 customers, comprising 98 sub-project sites in our renewable energy project finance portfolio, spanning 42 provinces in Türkiye, from a nature perspective. In this way, we approached water — a value that needs protection — as one of the fundamental elements of long-term development beyond being merely a financial resilience and quality issue.

This approach also clearly demonstrates how we define our Bank's role in the financial sector. For us, beyond being a tool that enables financing and investment realization, we embrace it as a strategic power that mobilizes sustainable transformation and development impact. For this reason, in every investment we evaluate, we regard financial feasibility together with environmental and social risks, climate resilience, and impacts on nature as a fundamental condition, along with the sustainable development value we will create.

We aim to broaden our impact area; beyond simply providing more resources, we aim to grow the economic, environmental, and social value created by each resource we direct.

We integrate our long-term financing capabilities with our technical expertise, the business partnerships we develop with international development finance institutions, and our systematic approach to social risk management and impact measurement. In this way, while accompanying the private sector's green and inclusive transformation, we offer contributions to our country's competitiveness, climate resilience, employment, and social welfare.

Our Integrated Report 2025, TSRS-Compliant Sustainability Report, and TNFD Report reveal not only the results we have achieved but also on what foundations our decisions rest and how we manage our responsibility toward the future. Beyond the transparency requirement of our reporting, we see it as a fundamental condition of the trust-based relationship we have built with our stakeholders and our effective governance approach.

In the period ahead, we will continue to use development banking's transformative power, guided by knowledge, our responsibility toward nature, and our country's sustainable development goals. Because for us, development means building a future strengthened together with people, society, and nature, beyond economic growth.

I thank all my colleagues and business partners who contribute to this future.

Seçil KIZILKAYA YILDIZ
*Sustainability and Impact Leader
Investment Banking, Project Evaluation and
Sustainability General Manager Assistant*

OVERVIEW OF DEVELOPMENT AND INVESTMENT BANK OF TÜRKİYE

Strong capital support for innovative startups

15,897
TRY million

TKYB's revenue in 2025



Capital Adequacy Ratio: Our Bank's capital adequacy ratio, which stood at 17.98% in December 2024, reached 21.85% as of December 2025.

CMB Corporate Governance Principles Compliance Rating Score:9.52

ISO Certifications

- ISO 14001 Environmental Management System
- ISO 9001 Quality Management System
- ISO 10002 Customer Satisfaction Management System
- ISO 27001 Information Security Management System
- ISO 27701 Personal Data and Information Privacy Management System
- ISO 45001 Occupational Health and Safety Management System
- ISO 14064 Greenhouse Gas Emissions Management System

Economic Value Generated

Revenue, which stood at TRY 11,195,673 thousand in 2024, reached **TRY 15,896,891 in 2025.**

Economic Value Distributed

Economic value distributed rose to **TRY 2,946,851 in 2025.**

Investment in the Entrepreneurship Ecosystem

Türkiye Kalkınma Fonu (Türkiye Development Fund), whose impact on the entrepreneurship ecosystem grows stronger each year, completed 2025 with TRY 6.3 billion in assets under management and 210 investors, in line with its goal of supporting innovative, high-value-added investments. Through the funds it managed throughout the year, TKF provided support to entrepreneurs at various stages of development, making

direct investments of approximately **USD 20.7 million** in a total of 26 companies – 21 new and 5 ongoing. These investments made a significant contribution to the development of the entrepreneurship ecosystem, helping to sustain its growth momentum.

Sustainability-Themed Loan Portfolio

The ratio of the sustainability-themed loan portfolio within the total portfolio reached **96% in 2025.**

Managed Fund Size

Through the ten sub-funds established under the TKF umbrella fund, the aim is to develop the entrepreneurship ecosystem through direct investments in SMEs and technology ventures, as well as through commitments made to private equity and venture capital funds.

- Technology and Innovation Fund (TRY 475 million)
- Regional Development Fund (TRY 525 million)
- TKYB Capital Fund (TRY 430 million)
- TÜBİTAK BiGG Fund (USD 13.5 million)
- TKYB Fund of Funds (USD 50 million)
- Kalkınma Katılım Venture Capital Investment Fund, established by Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. (TRY 154 million)
- Innovative and Advanced Technologies Participation Venture Capital Investment Fund (TRY 952 million)
- Kalkınma METU Technopark Venture Capital Investment Fund (USD 22.2 million)
- TÜBİTAK BiGG+ VCIF (USD 2.7 million)
- Fund of Funds VCIF (USD 1.2 million)

OVERVIEW OF DEVELOPMENT AND INVESTMENT BANK OF TÜRKİYE

A deeply rooted 50-year development vision



“

TKYB operates across three core business lines: Development Banking, Investment Banking, and the Türkiye Kalkınma Fonu (Türkiye Development Fund).

SUSTAINABLE PROJECT FINANCE

In 2025, a total of **USD 2.7 billion** in loans linked to sustainable development goals was provided; through these loans, direct or indirect contributions were made to 15 of the 17 Sustainable Development Goals.

- **Number of Employees:** The number of employees rose to **401** in 2025.
- **Female Employee Ratio:** The ratio of female employees stood at **41.15%** in 2025.
- **Training:**
 - In 2025, training was provided under **246 different topics**.
 - The average training hours per person was **48.8** hours.

- **Occupational Health and Safety Training:** A total of **1,712 hours** of OHS training was provided in 2025.
- **Youth Employment:** Among newly hired employees, **62%** of women and **63%** of men are **under the age of 30**.
- **Employee Satisfaction:** In 2023, the Bank became the first public bank in Türkiye to receive the **Great Place to Work (GPTW)** Certification; as a result of employee evaluations, it earned the right to receive this certification again **in 2025**.

Financed Renewable Energy Capacity: By financing approximately **7%** of Türkiye's renewable energy capacity, a contribution was made to **reducing CO₂ emissions by 3.9 million tons**.

ACTIVITIES OF DEVELOPMENT AND INVESTMENT BANK OF TÜRKİYE

TKYB is a joint-stock company subject to the provisions of private law, with 99.08% of its capital owned by the Republic of Türkiye Ministry of Treasury and Finance, and the remaining 0.92% held by other shareholders.

Our institution began operations in 1975 under the name Devlet Sanayi ve İşçi Yatırım Bankası (State Industry and Workers' Investment Bank), and took the name Türkiye Kalkınma Bankası A.Ş. (Development Bank of Türkiye) in 1988. Following the structural transformation carried out in 2018, our Bank began operating under the name Development and Investment Bank of Türkiye A.Ş., and in the same process relocated its headquarters from Ankara to Istanbul.

Our Bank operates across three core business lines: Development Banking, Investment Banking, and the Türkiye Kalkınma Fonu (Türkiye Development Fund). We have structured these areas to align with our sustainable development and financial inclusion objectives, driven by an impact-oriented financing approach that supports national priorities.

OVERVIEW OF DEVELOPMENT AND INVESTMENT BANK OF TÜRKİYE

Technology and innovation– driven investments

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Through Türkiye Kalkınma Fonu (TKF), TKYB contributes to strengthening the entrepreneurship ecosystem by making capital investments in innovative enterprises with high growth potential.

Providing financing solutions for the needs of businesses operating in strategic sectors such as industry, energy, tourism, education, health, and infrastructure, our Bank supports new investment and capacity expansion projects across a wide range of areas — from manufacturing to energy generation, from tourism to education, and from healthcare to sustainable infrastructure investments. In this context, while contributing to modernization- and efficiency-focused investments, the Bank continues to play an active role in achieving our country's development goals through strong public support and guarantee mechanisms. Our Bank also continues to develop its financing approaches in thematic areas such as Green Transformation, Circular Economy, and Digitalization, diversifying its sustainable financing solutions.

Through Türkiye Kalkınma Fonu (TKF), TKYB contributes to strengthening the entrepreneurship ecosystem by making capital investments in innovative enterprises with high growth potential. Investments carried out under TKF are concentrated in the themes of technology transfer, deep technology, and sustainability, aiming both to create long-term value for investors and to generate outcomes aligned with development priorities. Through its six different funds, TKF continues to invest in next-generation enterprises in strategic sectors, providing resources across a wide spectrum, from technology-focused startups to companies operating in sectors prioritized for development.

Drawing on its long-standing history and strong institutional structure, together with the experience it has accumulated over the years, our Bank provides financing, equity support, participation, and advisory services to businesses of various scales — ranging from startups to industrial enterprises and SMEs. This support makes a tangible contribution to increasing the growth capacity of the Turkish economy and to the transformation of the real sector. Our financing processes are carried out in an integrated manner with criteria for assessing environmental and social risks, thereby ensuring alignment with sustainable

development goals. With its competent and expert staff well-versed in international finance principles, our Bank continues to support Türkiye's economic transformation and to broaden access to capital by developing tailored products and solutions to meet specific needs.

Since its founding in 1975, TKYB has focused on supporting sustainable growth in line with its 2025 vision and guided by the United Nations Sustainable Development Goals. Within this framework, the Bank structures its operations in alignment with environmental, social, and governance (ESG) principles, systematically integrating these criteria into both its evaluation framework and its decision-making processes.

With its stable institutional structure built on solid foundations, our Bank holds a strategic position in helping Türkiye achieve its development goals. As a development finance institution that works in coordination with policymakers alongside its financial intermediation function, the Bank supports innovative enterprises and investments in priority areas, and continues to provide financing for projects that accelerate the development of the national economy, strengthen the broader distribution of capital, and contribute to sustainable growth.

In line with its founding purpose, our Bank has, in the past, provided financing and advisory support as a partner in the establishment of numerous industrial enterprises, and has contributed capital as a founding partner in some large-scale industrial organizations. Following its assumption of all assets and liabilities of Turizm Bankası A.Ş. (Tourism Bank) in 1989, the Bank also began to play an active role in financing investments in the tourism sector in addition to industry. Supporting the strengthening of production capacity through a long-term financing approach, our Bank continues its efforts to increase employment, income levels, and social welfare in Türkiye by contributing to the spread of competitive and efficient production.

Within the framework of the new institutional structuring and strategic roadmap carried out under the legal regulation that came into force in 2018, our Bank was restructured under the identity of Development and Investment Bank of Türkiye (TKYB). Strengthening its management team with individuals possessing extensive private sector experience, the Bank continues its operations with the goal of creating value for our country, combining its development banking mission with an investment banking vision, supported by a solid financial structure and expert human resources.

Our Bank continuously strengthens its corporate culture based on the principles of integrity, reliability, innovation, and transparency, and prioritizes contributing to the economic transformation of our country in line with its development strategies. Within this approach, the Bank aims to support broader access to capital and to steadfastly continue its activities directed toward sustainable development finance. In its resource allocation processes, our Bank adopts an impact-oriented financing approach by prioritizing areas with high environmental and social impact, making environmental, social, and governance (ESG) standards an integral part of the way it does business.

OUR PRINCIPLES

- ✓ Is the first and only Turkish financial institution to sign the Operating Principles for Impact Management.
- ✓ Is the first financial institution in Türkiye to publish a Green Human Resources Policy.
- ✓ Is the first public bank to earn the Great Place to Work Certification.
- ✓ Became the first bank to be awarded the “Climate Friendly Organization” certificate by TSE (Turkish Standards Institution).
- ✓ Is the first public bank to hold an ISO 14001 Environmental Management System certificate.
- ✓ Is the first Turkish bank to join the European Investment Fund (EIF) National Promotional Institutions Network.
- ✓ Is the bank that carried out the first initial public offering in the capital markets.
- ✓ Is the bank that carried out Türkiye’s first Asset-Backed Securities (ABS) issuance based on mortgage-backed securities through the Asset Finance Fund.
- ✓ Is the bank that carried out Türkiye’s first social sukuk and amortizing sukuk issuances.
- ✓ Acted as intermediary for Türkiye’s first low-carbon economy bond issuance.
- ✓ Is the first Turkish bank to carry out the world’s first sukuk issuance with returns indexed to wheat prices.
- ✓ Is the first and only Turkish bank to provide support for geothermal drilling projects under the World Bank’s Risk Sharing Mechanism.
- ✓ Is the first Turkish financial institution to channel Islamic Development Bank resources to SMEs.
- ✓ Is the first Turkish bank to provide both financial and technical support to companies.
- ✓ Was the first bank to pioneer the implementation of incentive loans.
- ✓ Is the first bank to support cluster-focused development programs.
- ✓ Is the first and only bank to provide financial and technical support to the tourism sector.
- ✓ Is the first public bank to become a member of PCAF (Partnership for Carbon Accounting Financials).
- ✓ Is the first Turkish bank to become a member of the Social Value Türkiye Association.
- ✓ Is the first and only bank to apply detailed Gender Analysis and OECD DAC scoring to all financed projects.
- ✓ Is the bank that carried out the first initial public offering in the capital markets.
- ✓ Is the first bank to prepare a financial support program for unfinished facilities.
- ✓ Secured a total of approximately USD 7.7 billion from international funds over the last 21 years, with approximately 61% of foreign resource procurement occurring within the 2018–2024 period.
- ✓ Approximately 93% of the resources procured come from sustainable sources.
- ✓ TKYB is the bank that brought the most resources to our country under COVID-19, with USD 550 million.
- ✓ The energy and energy efficiency sector holds the highest share in our Bank’s loan portfolio at 58%, standing at USD 1.6 billion.
- ✓ Our Bank’s share in Türkiye’s renewable energy capacity stands at approximately 7%.



- ✓ Financed numerous “firsts” in the energy sector (the first unlicensed rooftop solar power plant for an Energy Cooperative company; the first unlicensed and licensed solar power plant; the first YEKA solar power plant; the first geothermal power plant (JES); the first hybrid energy (hydro + solar) plant; the first unlicensed solar power plant with a tracking system)
- ✓ Our Bank earned a place on the Great Place To Work 2024 Social Responsibility & Volunteering List.
- ✓ Our Bank was included in the ESG Companies List under the “ESG Industry Top Rated” and “ESG Regional Top Rated” categories.
- ✓ With a rating score of 9.52, our Bank was again placed in Group 1 of the World Corporate Governance Index in 2024.
- ✓ Our Bank launched the “Sustainable Development Academy Project,” which aims to build connections between the business world and academia to develop sustainability products, solutions, and policies, increase sustainability literacy, and strengthen the ecosystem.
- ✓ Our Bank became the first financial institution in Türkiye to achieve TNFD Adopter status.
- ✓ We received the Great Place To Work® award for the third consecutive time, reflecting our employee-focused culture.
- ✓ Our Bank became the first financial institution in the world to have its targets validated under the Finance methodology published by the SBTi (Science Based Targets initiative).

OUR AWARDS

- ✓ **January 16, 2025** – Great Place to Work Türkiye Certified
- ✓ **January 31, 2025** – Best Development Bank for Sustainable Finance in Central & Eastern Europe (Global Sustainable Finance Awards)
- ✓ **April 16, 2025** – Türkiye Low Carbon Hero Award (İTÜ Carbon Summit)
- ✓ **July 9, 2025** – Best Deal of 2024 (Global Trade Review – GTR)
- ✓ **July 30, 2025** – Best Development Bank Driving Inclusive Growth – Turkey 2025 (Global Business and Finance Magazine Awards)
- ✓ **August 4, 2025** – Silver Winner – HR Team of the Year (Stevie for Great Employers Awards)
- ✓ **August 4, 2025** – Bronze Winner – Best CSR Strategy (Stevie for Great Employers Awards)
- ✓ **August 4, 2025** – Bronze Winner – Achievement in Leadership Development (Stevie for Great Employers Awards)
- ✓ **August 19, 2025** – Bronze Winner – Learning and Development (Brandon Hall HCM Excellence Awards)
- ✓ **August 19, 2025** – Bronze Winner – Leadership Development (Brandon Hall HCM Excellence Awards)
- ✓ **August 19, 2025** – Gold Winner – Best Innovative HR Program (Brandon Hall HCM Excellence Awards)
- ✓ **August 27, 2025** – Gold Winner – Achievement in Growth (Stevie International Business Awards)
- ✓ **August 27, 2025** – Gold Winner – Company of the Year (Stevie International Business Awards)
- ✓ **September 2, 2025** – Top 20 Reports Turkey (LACP Awards)
- ✓ **September 2, 2025** – Top 100 Reports EMEA Region (LACP Awards)
- ✓ **October 9, 2025** – Carbon Management and Net Zero: Scope 3 (Sustainable Business Awards)
- ✓ **October 17, 2025** – Best Green Initiatives in the Banking Industry (The Global Economics Awards)
- ✓ **October 24, 2025** – Silver Winner – Human Resources Team of the Year (Globe Awards for Business)
- ✓ **October 28, 2025** – Best Transformation Strategy in Development Finance Turkey (International Business Magazine Awards)
- ✓ **October 28, 2025** – Best Development Bank Driving Inclusive Growth (International Business Magazine Awards)
- ✓ **October 30, 2025** – Asia's Best Integrated Report (ASRA)
- ✓ **November 18, 2025** – World's Best Companies for Sustainable Growth 2026 (30th place) (TIME)
- ✓ **December 11, 2025** – Private Winner – PCAF Project (Türkiye Kurumsal Sorumluluk Derneği)
- ✓ **December 11, 2025** – Gold Winner – OECD Gender Equality Measurement (Türkiye Kurumsal Sorumluluk Derneği)
- ✓ **December 11, 2025** – Silver Winner – Scope 1-2-3 Emissions Project (Türkiye Kurumsal Sorumluluk Derneği)
- ✓ **December 22, 2025** – Best Corporate Governance (UN Global Compact – Partnership for Sustainability Award)
- ✓ **December 23, 2025** – Best CSR Bank (Global Brand Awards)

OUR VISION, MISSION AND VALUES

Vision

To be the leading bank in sustainable development

Mission

In line with our country's sustainable development goals, we contribute to all our stakeholders through our environmentally and socially responsible, innovative, and dynamic banking approach.

Our Core Values

Responsible Banking

In line with the Principles of Sustainable Development and our responsible banking approach, we act with sensitivity toward the world we live in, the environment, and society. We keep our sense of social responsibility alive at all times. We utilize our resources in the most effective and efficient manner.

Delivering Value to Stakeholders

We embrace an inclusive and participatory approach to governance; in line with our dynamic, innovative, and environmentally and socially responsive banking approach, we carry out our activities with the goal of creating value for all our stakeholders.

Reliability

We build lasting relationships with all our stakeholders based on transparency, ethical values, and trust. We make our decisions in accordance with impartial and objective criteria.

Innovation

Through our innovative solutions, we pave the way for positive transformation, creating lasting value not only for today but also for the future.

Solution-Oriented

We place our customers at the center of all our activities, and together we design the future through effective and value-creating solutions.



OUR HISTORY

Development and Investment Bank of Türkiye, which undertakes a critical responsibility in helping Türkiye achieve its development goals through its long-standing history and strong institutional structure, traces its foundations to Devlet Sanayi ve İşçi Yatırım Bankası (DESIYAB) A.Ş. Established under Authorization Law No. 1877, through Decree Law No. 13 dated November 27, 1975, DESİYAB was founded as a development and investment bank in the form of a joint-stock company with legal personality, subject to the provisions of private law, with a mandate to carry out all activities required by investment and development banking, including profit-sharing-based capital financing.

1970s

- Development and Investment Bank of Türkiye became the first financial institution to operate in supporting worker companies and bringing foreign financing sources to our country, taking pioneering steps in this field. The Bank took on a leading position in the sector by participating in strategic heavy industry organizations such as TAKSAN, TÜMOSAN, TEMSAN, and TESTAŞ.

1980s

- The Bank contributed to international cooperation by providing technical services under the State Planning Organization's (DPT) aid program directed toward Africa.
- Financing for worker companies was supported through the Special Credit Fund II (KÖF), and processes for restructuring these companies were carried out effectively.
- Taking an active role particularly in the realization of infrastructure investments in the tourism sector, the Bank made significant contributions to the sustainable growth of the sector through the financing it provided to tourism facilities.
- In 1988, the Bank's name was changed to Türkiye Kalkınma Bankası A.Ş. (Development Bank of Türkiye), thereby gaining the authority to provide financing to areas outside the industrial sector as well. In 1989, T.C. Turizm Bankası A.Ş. (Türkiye Tourism Bank) was transferred to Türkiye Kalkınma Bankası along with all its assets and liabilities.

1990s

- Development and Investment Bank of Türkiye took a pioneering role in supporting worker companies and securing foreign-sourced financing, becoming the first financial institution to operate in this field.
- Under the "Project for Bringing Unfinished Investments and Businesses Lacking Working Capital Back into the Economy," financing of approximately USD 100 million was provided to a total of 525 companies; this support contributed to the creation of approximately 9,000 additional jobs.
- In 1999, the legal infrastructure of the Bank was strengthened and its institutional structure placed on more solid ground with the adoption of Law No. 4456 concerning the establishment of Türkiye Kalkınma Bankası.

2000s

- Through the Wholesale Banking (APEX) channel, opportunities were created for financing investments by companies not structured as joint-stock companies, as well as for small-scale businesses.
- The Bank became a partner in the Turkish Investment Initiative (TII), led by the European Investment Fund (EIF), which was established in partnership with the European Investment Bank and the European Commission.

2010s

- The Bank was restructured within the framework of a development and investment banking identity. Law No. 7147 concerning the Bank was published in the Official Gazette of the Republic of Türkiye dated October 24, 2018, No. 30575, and entered into force; under this law, the Bank's name was changed to Development and Investment Bank of Türkiye A.Ş.
- With the establishment of Development and Investment Bank of Türkiye A.Ş.'s Asset Finance Fund, an Asset-Backed Securities (ABS) issuance of TRY 3.15 billion was carried out.
- With the launch of the Second Asset Finance Fund, an ABS issuance of TRY 1 billion was carried out.
- During the restructuring process, the Head Office was relocated to Istanbul, and the delivery of innovative products and services began to be carried out from Istanbul.
- Türkiye Kalkınma Fonu (TKF) was established.
- The Bank became one of the founding signatories of the UNEP-FI Principles for Responsible Banking.
- Memberships were established with national and international organizations and platforms operating in the field of sustainability.
- The Bank implemented the ISO 14001 Environmental Management System, earning the title of first public bank to apply this standard.
- Through the implementation of the Environmental Management System, the necessary work was carried out to identify and reduce negative environmental impacts, increase efficiency in resource use, and regularly monitor environmental performance. In addition, as of 2010, the Bank's asset size exceeded USD 1 billion.

- Development and Investment Bank of Türkiye secured a record level of long-term financing, obtaining approximately USD 840 million in long-term resources from five separate international financial institutions.
- In 2014, the Bank's financing support for national development exceeded the TRY 3 billion threshold.
- In 2015, TKYB's 2015–2019 Strategic Plan was approved.
- In 2016, the Bank decided to increase its issued capital to TRY 500 million, a decision that further strengthened its pioneering role in the financial sector. During the same period, the Bank also made notable progress through its reporting activities under the CDP Climate Change Program.
- Advancing its work in the field of environmental sustainability, the Bank met the "Climate Friendly Organization" criteria set by the Turkish Standards Institution, becoming eligible for the certificate and the first bank to receive the "Climate Friendly Organization" certification.
- Through new initiatives it launched, the Bank expanded its global network of cooperation and further consolidated its leadership in the financial sector through its Carbon Disclosure Project report.
- In 2016, disbursement began of the EUR 100 million APEX loan provided by the Council of Europe Development Bank (CEB); this process was completed in 2019.
- In 2017, disbursement of the USD 200 million in financing obtained from the Islamic Development Bank was completed at the end of 2020.

OUR HISTORY

2020

- The Technology and Innovation Fund and the Regional Development Fund, established under Türkiye Kalkınma Fonu (TKF), officially began operations.
- The Bank strengthened its institutional investment portfolio by acquiring stakes in Birleşik İpotek Finansmanı A.Ş. and JCR Avrasya Derecelendirme A.Ş.
- Kalkınma Yatırım Varlık Kiralama A.Ş. and Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş., both wholly owned by the Bank, continued to grow by expanding their activities in investment and portfolio management.
- The Bank published its first sustainability report, sharing its sustainability approach and commitments in this area with the public within a concrete framework.
- On June 1, 2020, a loan agreement of EUR 316 million (APEX Lending + Direct Lending) and a grant agreement of EUR 80 million were signed with the World Bank under the Registered Employment Generation Project. Within this program, TKYB provided technical support mechanisms to strengthen the capacity of Financial Intermediaries (FIs) and beneficiary companies.

- On September 9, 2020, an APEX loan agreement of USD 250 million was signed with the World Bank under the Emergency Business Support Project.
- On August 17, 2020, USD 30 million of the APEX component of the USD 300 million loan agreement signed with AIIB — aimed at meeting the liquidity needs of companies adversely affected by the COVID-19 pandemic — was disbursed through Financial Intermediaries.
- In January 2020, the Bank's Environmental and Social Policy entered into force upon Board of Directors approval. In June of the same year, the Sustainability Principles were adopted and the Climate Change Mitigation and Adaptation Policy was put into effect.
- The Technology and Innovation Fund and the Regional Development Fund were established under Türkiye Kalkınma Fonu.
- The Bank provided advisory services for the establishment process and licensing of the entity referred to as the "Turkish Securitization Company," which is envisioned to play a strategic role in the securitization field. In addition, the Bank strengthened its expertise in this area by providing exclusive financial advisory services for a TRY 42 million sukuk (Amortising Sukuk al-Wakala) issuance to meet the working capital needs of Tarkim Bitki Koruma A.Ş.

2021

- Türkiye's first social sukuk issuance was carried out through a TRY 50 million transaction for which the Bank served as fund provider.
- The Bank became the first and only institution in Türkiye to sign the Operating Principles for Impact Management, established under the leadership of the International Finance Corporation (IFC).
- The Innovative and Advanced Technologies Venture Capital Investment Fund and the Kalkınma Katılım Girişim Sermayesi Yatırım Fonu were established by Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş.; in addition, the Bank launched the TKYB Capital Fund.
- Türkiye's first low-carbon economy transition bond issuance was carried out, marking a significant milestone in the capital markets.
- Palgaz Doğalgaz Dağıtım A.Ş. carried out Türkiye's first low-carbon economy transition bond issuance, valued at TRY 200 million; this transaction was awarded "Best Green Project Financing Bank" at the 2022 International Finance Awards.
- TKYB achieved a B score in CDP's Climate Change Program assessment, making it the highest-scoring institution in the Turkish financial sector in 2021.
- In 2021, the Bank published its first Integrated Report, presenting its financial and sustainability performance to the public through a holistic approach.
- The Bank carried out its first sustainable bond issuance, reinforcing its pioneering role in sustainable finance.
- In 2021, the Bank secured Renewable Energy and Energy Efficiency loans of USD 170 million from JBIC and USD 100 million from AIIB. In addition to these loans, an additional Geothermal Development financing agreement of USD 150 million was signed with the World Bank, and a loan agreement of USD 200 million was signed with the China Development Bank.

2022

- Development and Investment Bank of Türkiye carried out its first sustainable Eurobond issuance, valued at EUR 100 million, adding to its sustainability-themed foreign resources with the aim of diversifying its funding sources and contributing to Türkiye's sustainable growth goals. Financed by the French Development Agency (AFD) with an 11-year maturity, at least 75% of the proceeds from the issuance were allocated to financing green projects supporting the fight against climate change in Türkiye, with the remaining amount used to support social projects.
- Following employee evaluations conducted by Great Place to Work, the Bank became the first public bank to earn the Great Place to Work certification.
- The Bank's first corporate governance rating assessment was completed, achieving a high score of 9.32 out of 10. This result placed the Bank in the first group according to the World Corporate Governance Index.
- In the Environmental, Social, and Governance (ESG) risk assessment conducted by international sustainability rating agency Sustainalytics, the Bank achieved a risk score of 11.0, positioning it among the leading institutions in Türkiye and contributing to the country's strong standing in international rankings.
- Under its Integrated Management System efforts, the Bank earned ISO 45001 Occupational Health and Safety, ISO 9001 Quality Management, and ISO 10002 Customer Satisfaction management system certifications. It also completed certification processes for compliance with ISO/IEC 27001 Information Security Management System and ISO 27701 Personal Data and Information Privacy Management System standards.

OUR HISTORY

- In 2022, the Bank published Türkiye's first Impact Report aligned with the Operating Principles for Impact Management, sharing its approach to impact management with the public.
- With KOSGEB (Small and Medium Enterprises Development Organization) participating as an investor with a TRY 100 million commitment, the total size of the Technology and Innovation Fund was increased to TRY 475 million. In addition, the Kalkınma ODTÜ Teknokent Girişim Sermayesi Yatırım Fonu was established by Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş.
- The Bank acted as intermediary for Türkiye's first low-carbon economy transition bond issuance; this transaction was awarded "Best Green Project Financing Bank" at the 2022 International Finance Awards.
- That same year, the Bank carried out a total of 24 projects under a protocol signed with the COMCEC Coordination Office; of these, 2 were cancelled, 16 were completed, and 6 remained in the financial reporting and payment process.
- Under COMCEC, TRY 15,649,212.64 was received in payments in 2022, of which TRY 12,643,154.38 was transferred to the projects.
- The Ministry of Industry and Technology and KOSGEB developed strategic partnerships by participating as investors in TKYB's sub-funds, the Regional Development Fund and the Technology and Innovation Fund. With additional commitments provided by KOSGEB in 2022, the size of the Technology and Innovation Fund reached TRY 475 million.

- The Bank was awarded "Outstanding Sustainable Project Financing" at The Global Sustainable Finance Awards organized by the European Organisation for Sustainable Development (EOSD).
- In 2022, the Bank announced its Sustainable Finance Framework to the public. This framework was developed in alignment with the ICMA Green Bond Principles, ICMA Social Bond Principles, Loan Market Association (LMA) Green Loan Principles, and LMA Social Loan Principles, and a Second Party Opinion (SPO) was obtained in this context.

2023

- Sustainability-focused financing resources were strengthened through a EUR 100 million "Climate Finance" loan and a EUR 10 million grant agreement signed with the German Development Bank (Kreditanstalt für Wiederaufbau – KfW).
- A EUR 5 million loan agreement was signed with the Black Sea Trade and Development Bank to meet the financing needs of SMEs operating in the earthquake-affected region.
- A "Green 4" loan agreement of USD 200 million was signed with the Japan Bank for International Cooperation (JBIC) for use in renewable energy and energy efficiency projects.
- A financing agreement of USD 100 million was signed with the Islamic Development Bank to be used for financing food security investments; in addition, a preliminary agreement was signed for a USD 100 million financing agreement with the International Islamic Trade Finance Corporation (ITFC).

- Under COMCEC, 25 projects were completed in 2023, with TRY 27,457,786 received in payments, of which TRY 26,312,452.44 was transferred to the projects.
- The Bank achieved a significant success by ranking 1st in the 250–499 employee category on the Best Workplaces for Innovation By All 2023 list published by Great Place to Work.
- Development and Investment Bank of Türkiye became the first bank in the Turkish financial sector to publish a Green Human Resources Policy.
- Following an assessment by Sustainalytics, the Bank was awarded "ESG Industry Top Rated" and "ESG Region Top Rated" designations in 2023, placing it among 50 banks to earn these prestigious titles. The Bank also achieved a low ESG risk score of 12.3 in Sustainalytics' Environmental, Social, and Governance risk assessment, positioning it among Türkiye's leading institutions and contributing to the country's strong international standing.
- The TÜBİTAK BiGG Fund was established by Türkiye Kalkınma Fonu (TKF); the Bank also increased its total assets by 47% in 2023, reaching TRY 134.8 billion.
- In the corporate governance rating's periodic revision conducted in 2023, the Bank raised its score to 9.40, remaining in the first group according to the World Corporate Governance Index.
- Following analyses and employee evaluations conducted by Great Place to Work, the Bank was included among the organizations recognized as "Türkiye's Best Employer" on the "Türkiye's Best Employers 2023 List."

2024

- Under the USD 50 million loan agreement signed with the OPEC Fund on March 21, 2024, financing support was provided to meet the investment and working capital needs of earthquake-affected businesses, primarily operating in agriculture and food production.
- Under the loan agreement of EUR 200 million and USD 200 million signed with the World Bank on April 18, 2024, support began for projects aimed at reducing carbon emissions in Türkiye's industrial sector.
- Under agreements reached with the World Bank and the Clean Technology Fund (CTF) on May 16, 2024, EUR 300 million in financing was secured for distributed solar energy projects in Türkiye, and USD 15 million for the financing of battery energy storage systems.
- A grant agreement of USD 1.5 million was signed with the World Bank's Energy Sector Management Assistance Program (ESMAP) to strengthen the capacities of financial intermediary institutions.
- Under the USD 100 million agreement signed with the International Islamic Trade Finance Corporation (ITFC) on August 7, 2024, a cooperation was established for trade finance under the theme of food security. This agreement represents the first cooperation between the Bank and ITFC.
- The TIERP loan signed with the World Bank, aimed at reducing industrial air pollution and greenhouse gas emissions in line with Türkiye's net-zero carbon target, became the Bank's first thematic funding directly contributing to this goal.

OUR HISTORY

- The agreement signed with the World Bank to support distributed solar energy projects in Türkiye was recorded as the first operation under the World Bank's Europe and Central Asia Renewable Energy Scale-up (ECARES) initiative.
 - The agreement carried out with the OPEC Fund to support Türkiye's agriculture and food sectors represents a pioneering first, both for the Bank and for Türkiye after many years.
 - Under COMCEC (İSEDAK), 32 projects were completed in 2024, with TRY 56,005,507.77 received in payments, of which TRY 48,359,688.51 was transferred to the projects.
 - Following Sustainalytics' assessment, the Bank earned "ESG Industry Top Rated" and "ESG Regional Top Rated" designations in 2024, placing it among 50 banks awarded these prestigious honors.
 - The Bank further strengthened its leading position in Türkiye with a low ESG risk score of 12.4 in Sustainalytics' ESG risk assessment, contributing to the country's strong international representation.
 - As a result of its successful work in the ESG field, the Bank was awarded the "IJGlobal ESG Development Finance Institution – Europe" award, once again confirming its leadership in sustainable development finance and its support for the real economy.
 - The Bank was awarded "Türkiye's Most Sustainable Bank" by World Finance Magazine in 2024, and also earned the Great Place to Work Certification that same year.
 - Through its strong performance in employee experience, the Bank was included in the "Türkiye's Best Employers 2024 List" and earned the title of "Türkiye's Best Employer." The Bank also achieved recognition on the Great Place to Work Social Responsibility and Volunteering 2024 Best Employers list.
 - Throughout 2024, training programs were held on 214 different topics, with an average training duration of 35 hours per employee.
 - In 2024, ISO 27701 Personal Data and Information Privacy Management System was incorporated into the scope of the Integrated Management System, and the certification process was successfully completed.
 - As a result of improvement efforts carried out during the year, the Bank's Corporate Governance Rating score, which stood at 9.40 in 2023, was raised to 9.52 as of April 15, 2024.
 - As a sub-fund of Türkiye Kalkınma Fonu (TKF), the Development and Investment Bank of Türkiye (TKYB) Fund of Funds was established with a commitment of USD 35 million from the Republic of Türkiye Ministry of Treasury and Finance and USD 15 million from the Bank; this structure created an important cooperation mechanism supporting the transfer of resources to funds within the entrepreneurship ecosystem.
 - Cooperation opportunities with TÜBİTAK were expanded, leading to the establishment of the TÜBİTAK BiGG+ GSYF – open to participation by external investors in addition to TÜBİTAK – with an initial closing size of TRY 53 million.
 - The world's first sukuk issuance with returns indexed to wheat prices was carried out, pioneering innovative financing solutions.
- ### 2025
- As of 2025, TKYB continued to strengthen its financing activities contributing to sustainable development through national and international partnerships. In this context, a loan agreement of USD 500 million was signed with the World Bank for the earthquake-affected region; in addition, a financing agreement of USD 200 million covering climate finance and digital transformation was reached with the Asian Infrastructure Investment Bank (AIIB).
 - A loan agreement of USD 200 million was reached with the China Development Bank (CDB) to support the working capital needs of companies operating in Türkiye. In addition, USD 325 million in financing was secured from the Asian Development Bank (ADB) for climate- and environment-focused projects.
 - Within the framework of cooperation with the Italian Development Bank (CDP) for the reconstruction of the earthquake region, EUR 50 million in financing was secured. In addition, the Bank served as lead intermediary institution in the TRY 3.3 billion initial public offering of Kalyon Güneş Teknolojileri A.Ş.
 - Under COMCEC (İSEDAK), 27 projects were completed in 2025, with TRY 54,199,366.57 received in payments, of which TRY 50,914,493.25 was transferred to the projects.
 - The Bank's strong performance in employee experience and corporate culture continued in 2025; following employee evaluations, the Bank earned the Great Place to Work® Certification. This achievement, obtained for the third consecutive time, demonstrates the sustainability of TKYB's employee-focused approach and strong corporate culture.
 - Under its social responsibility projects, volunteering activities in earthquake-affected regions continued. Support efforts were carried out for those in need in the provinces of Adıyaman, Hatay, and Kahramanmaraş, contributing to regional development.
 - In global assessments, TKYB won awards in various categories at the Brandon Hall HCM Excellence Awards for its innovative approach to human resources practices.
 - The Bank's human resources practices were also recognized on international platforms, earning a Gold award in the "Best Unique or Innovative HR Program" category, and Bronze awards under the Best Learning Strategy and Best Leadership Development Program titles.
 - The institution's sustainability- and people-focused approach was also recognized at the Globee Awards for Business 2025, winning the "Human Resources Team of the Year" Silver award in the Human Resources category.
 - In addition, the Bank was awarded in a total of seven categories at the Stevie Awards, which recognize the achievements of human resources professionals internationally – five categories under the Stevie Awards for Great Employers and two categories under the Stevie International Business Awards.
 - Finally, USD 1.2 million in funding was utilized under the support provided by KOSGEB.

ACTIVITIES OF DEVELOPMENT AND INVESTMENT BANK OF TÜRKİYE

Dynamic financing across diverse sectors

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TKYB develops financial products and services with the aim of contributing to our country's sustainable development goals, and continues its activities in line with this objective.

Activities of Development and Investment Bank of Türkiye

Within the framework of its investment banking activities, our Bank provides financial advisory services for major projects, capital markets, and mergers and acquisitions. These efforts aim to support Türkiye's achievement of its economic growth goals and to accelerate the country's sustainable development. TKYB's core business areas and strategic objectives are summarized under three main headings: Development Banking, Investment Banking, and Türkiye Kalkınma Fonu (TKF). These three structures operate in an integrated manner, complementing and reinforcing each other in support of the Bank's development goals. Each of these core activities offers different methods and solutions aimed at supporting and accelerating Türkiye's economic growth and sustainable development. In carrying out these activities, the Bank systematically evaluates environmental and social impact analyses, thereby ensuring that impact-based investment decisions are made. In addition, through project finance and corporate

loans, the Bank provides support to critical sectors of our country (manufacturing, renewable energy, education, health, and others), making a significant contribution to economic growth, social development, and environmentally responsible development.

DEVELOPMENT BANKING

Having set important goals to shape and deliver financial products and services that support Türkiye's sustainable development, the Bank has established the following core priorities within its Development Banking activities:

- To diversify financing products directed toward priority sectors identified in development plans and programs — sectors with high import dependency, foreign trade deficits, and potential for contributing to employment and generating foreign exchange revenue and to contribute to accelerating regional development and increasing access to finance by supporting financial inclusion

- To contribute to our country's sustainable growth, and to encourage and stimulate investments by providing financing through the most suitable instruments — including loans tailored to a project's feasibility and cash flow, as well as investment banking products
- To support projects that serve the achievement of the Sustainable Development Goals, and to accelerate the green transformation process, including transitioning to a low-carbon economy, combating climate change, promoting responsible production and consumption, supporting the circular economy, eradicating poverty, and creating employment, among other objectives

TKYB develops financial products and services with the aim of contributing to our country's sustainable development goals, and continues its activities in line with this objective. The Bank's 2026–2028 Strategic Objectives were approved by a Board of Directors resolution dated February 27, 2026. The Bank's financial statement projections are reviewed and renewed each year and submitted for Board of Directors approval. In this context, the Bank's 2026 budget was approved by Board of Directors Resolution No. 2025-19-03/254 dated December 26, 2025, and the financial projections for the 2026–2028 period were approved by Board of Directors Resolution No. 2026-03-10/038 dated February 27, 2026. Having reviewed its strategic objectives in line with changing and updated conditions, the Bank's 2026–2028 Strategic Objectives were likewise approved by Board of Directors Resolution No. 2026-03-10/038 dated February 27, 2026. These financial projections, together with the Bank's vision, mission, values, and strategic objectives, constitute the Bank's Strategic Plan.



ACTIVITIES OF DEVELOPMENT AND INVESTMENT BANK OF TÜRKİYE

Pioneering corporate transformation

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Within its capital markets advisory activities, the Bank provides companies with end-to-end guidance throughout the issuance processes for equity, debt instruments, lease certificates (sukuk), and other capital markets instruments.

Through its solid capital base and strategic partnerships established with international financial institutions, Development and Investment Bank of Türkiye (TKYB) offers a wide range of financial solutions that add value to the Turkish economy and accelerate sustainable development. In this context, the Bank supports sectoral transformation through both long-term investment loans and thematic financing products (such as green bonds and energy efficiency loans).

Objectives for Strengthening the Resource Structure

Development and Investment Bank of Türkiye (TKYB) maintains objectives aimed at strengthening its resource structure in the field of development banking. These objectives are:

- To build a strong and diversified resource structure that supports sustainable asset growth
- To increase the inflow of resources to the Bank from development finance institutions and similar creditors
- To increase the inflow of resources to the Bank from development finance institutions and to secure resources from a diversified range of creditors

These strategic objectives aim to enhance TKYB's capacity to develop financing models that make a direct technical and financial contribution to economic growth and sustainable development processes within the framework of development banking. In this context, the Bank positions itself not merely as a credit provider but as a development partner, offering investors technical guidance on project preparation, analysis, and structuring. Accordingly, the Bank supports the financial sustainability of projects by offering credit structures and innovative financial instruments tailored to the specific needs of each sector, and secures the resources required to accelerate the transition to a low-carbon economy. In addition, the Bank's financing strategies,



grounded in sectoral analysis, support the realization of projects aimed at reducing Türkiye's import dependency, increasing foreign exchange revenues, and expanding employment opportunities. These approaches ensure that development banking plays a vital role in helping Türkiye achieve its long-term economic goals.

INVESTMENT BANKING

Capital Markets Advisory

Throughout 2025, the Bank supported companies' access to financing and played a significant role in their corporate transformation processes through advisory services provided in connection with high-value initial public offerings, sukuk issuances, and mergers and acquisitions. Within the scope of its investment banking activities, capital markets advisory, mergers and acquisitions advisory, and financial advisory services are offered through a holistic approach. These

services aim to help companies strengthen their capital structures, gain access to long-term and sustainable financing sources, and effectively implement their growth strategies.

Within its capital markets advisory activities, the Bank provides companies with end-to-end guidance throughout the issuance processes for equity, debt instruments, lease certificates (sukuk), and other capital markets instruments. The advisory services provided in this context help companies secure additional resources while also supporting increased institutionalization, transparency, and market visibility. This, in turn, facilitates companies' access to a broader range of financing alternatives.

ACTIVITIES OF DEVELOPMENT AND INVESTMENT BANK OF TÜRKİYE

USD 10 billion in transactions over six years

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In 2025, TKYB contributed to directing resources toward the real economy by enabling more effective use of capital market instruments.

In the area of alternative financing solutions based on debt instruments, the Bank provides comprehensive advisory services not only for bond and note issuances — widely used in Turkish capital markets — but also for the increasingly common lease certificate (sukuk) issuance processes seen in recent years. These processes are managed effectively at every stage, from structuring the issuance and coordinating advisory teams to completing regulatory filings and carrying out marketing and sales activities.

In 2025, the Bank contributed to directing resources toward the real economy by enabling more effective use of capital market instruments. In this regard:

- Served as lead intermediary institution in the TRY 3.3 billion equity initial public offering of Kalyon Güneş Teknolojileri Üretim A.Ş.
- Successfully completed lease certificate (sukuk) issuance transactions totaling TRY 800 million on behalf of Tarfin Tarım A.Ş.
- Carried out a TRY 330 million lease certificate (sukuk) issuance for which Vakıf Finansal Kiralama A.Ş. served as the fund user.

The Capital Markets Advisory Unit continues to carry out projects related to initial public offerings, sukuk issuances, and other debt instrument issuances for clients operating in various sectors. The work carried out in this context contributes to deepening the capital markets while diversifying companies' financing opportunities.

Mergers and Acquisitions Advisory

Throughout 2025, Development and Investment Bank of Türkiye continued its mergers and acquisitions (M&A) advisory activities across various sectors through the projects it carried out, and took an active role in companies' growth, restructuring, and privatization processes. Objectives for Investment Banking:

- To elevate Türkiye's capital markets to an international capital markets level and to attract foreign capital inflows to our country
- To offer all investment banking services in accordance with international standards
- To provide restructuring advisory services for companies' financial bottlenecks
- To support sound investment decision-making through financial feasibility advisory
- To take on roles in investment banking projects that will attract foreign direct investment to our country
- To develop alternative financing sources for companies
- To develop innovative capital markets products within the framework of sales intermediation carried out in line with market conditions and partnerships

The Bank, as the exclusive financial advisor to the Privatization Administration (ÖİB), undertook significant responsibilities in both projects during the privatization processes of selected ports owned by TDİ and selected electricity generation assets owned by EÜAŞ. In this context, the privatization tender processes for Fenerbahçe Kalamış Port and for the Çayırhan Thermal Power Plant and Çayırhan Mining Sites were successfully completed within 2025.

The tender for the Akköprü Hydroelectric Power Plant (HEPP) was cancelled on June 30, 2025, following the final price offer session. Meanwhile, preparatory work for the tender related to the Tekirdağ Çeşmeli Port continued throughout 2025, and the tender announcement was made in December 2025. In addition, preparatory work regarding Tekirdağ A and B power plants is ongoing, with the tender schedule yet to be determined.

Sell-side advisory activities were carried out for private-sector clients operating in various sectors such as start-ups, e-commerce, food, circular economy, retail, tourism, and energy. In the private sector, the Bank served as sell-side advisor for a start-up producing artificial leather from olive pomace, supporting the company in the first quarter of 2025 in raising its first investment round through the crowdfunding method, and continued to provide advisory services in the company's subsequent fundraising efforts as well. The Bank served as exclusive financial advisor to the sell-side in the transaction, completed in October 2025, in which team.blue acquired the majority of Ticimax's shares.

Investor-seeking advisory activities aimed at attracting investors were carried out for projects across sectors such as retail, tourism, and healthcare. Work was carried out to identify investors for a luxury thermal tourism and healthcare facility project planned in the Cappadocia region; in addition, advisory services on fund procurement were provided for companies operating in the energy, retail, and packaging sectors in which the Bank holds an interest. Since 2019, the Bank has completed a total of 25 mergers and acquisitions transactions, with a combined value estimated at approximately USD 3 billion.

ACTIVITIES OF DEVELOPMENT AND INVESTMENT BANK OF TÜRKİYE

Strong partnerships aligned with global standards

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Established to support innovative and advanced technology-focused startups, the Innovative and Advanced Technologies Participation Venture Capital Investment Fund (YİT) offers a significant source of financing with a commitment size of TRY 952 million.

Financial Advisory

Development and Investment Bank of Türkiye continued to provide value-added advisory services in the field of financial advisory in 2025 as well. In this context, throughout 2025, the Bank prepared investment incentive certificate application feasibility reports within the scope of five different major investment projects, spanning four major players across the defense, paper and hygiene products, and technology sectors. Under its financial advisory activities, the Bank has, since 2025, begun providing advisory services related to the sustainability strategies needed by companies to address their sustainability performance requirements, and has been authorized for four different projects for this purpose. The Bank has successfully completed advisory services on sustainability strategy reporting for three companies operating in the food, textile, and finance sectors, and continues its work on one additional project.

In October 2025, the Bank signed a protocol with the T.C. Ministry of Industry and Technology, General Directorate of Incentive Implementation and Foreign Capital, to provide financial advisory services for the preparation of feasibility reports for investors applying under the New Incentive System Strategic Move Program. The Bank's related efforts are being carried out in coordination with the T.C. Ministry of Industry and Technology, General Directorate of Incentive Implementation and Foreign Capital, and effectively support investors' investment projects within this scope.

In addition, financial feasibility advisory efforts continue for an investment project in the thermal tourism sector within the defense sector. These efforts contribute to supporting the economic viability assessment and decision-making processes of the relevant investments. Development and Investment Bank of Türkiye continues

its advisory services in areas such as identifying new investment opportunities, sector analyses, strategic planning, and financial modeling and company valuation, in line with its clients' growth objectives. The services offered in this context are planned to continue being enhanced and expanded in 2026.

TÜRKİYE DEVELOPMENT FUND

Türkiye Kalkınma Fonu (TKF) contributes to the development of the entrepreneurship ecosystem through its sub-funds and strategic investment instruments. Within the fund structure, capital support is offered to a broad target group ranging from SME-scale businesses to advanced technology-focused startups. Operating under the coordination of Development and Investment Bank of Türkiye, the funds are managed by teams with specialized expertise in their respective fields, with the aim of increasing access to financing in line with the country's development goals. In this context, a fund management approach aligned with international good practices has been adopted, supporting the effective and efficient use of public resources.

Objectives Related to Türkiye Kalkınma Fonu:

- Together with its sub-funds, to play a significant role in the development of the entrepreneurship ecosystem by supporting sectors of strategic importance to our country's sustainable growth, while also investing in technology-focused, next-generation startups
- To carry out efforts to transform public resources into capital investments that will create a multiplier effect, within the framework of a technology- and innovation-focused development model

In line with the goals of facilitating access to financing for sectors identified as priorities in the 12th Development Plan and strengthening long-term planning capacity, the Bank plays an active role. In this context,

long-term lending mechanisms are being established in cooperation with international financial institutions, particularly to support investors operating in priority sectors. In addition to making direct investments in startups through the sub-funds established under TKF, indirect support mechanisms have also been activated through venture capital funds. Within this structure, the development of the ecosystem is targeted through the following funds:

- Technology and Innovation Fund (TRY 475 million)
- Regional Development Fund (TRY 525 million)
- TKYB Capital Fund (TRY 430 million)
- TÜBİTAK BiGG Fund (USD 13.5 million)
- TKYB Top Fund (USD 50 million)
- Kalkınma Participation Venture Capital Investment Fund (TRY 154 million)
- Innovative and Advanced Technologies Participation VCIF (TRY 952 million)
- Kalkınma METU Technopark VCIF (USD 22.2 million)
- TÜBİTAK BiGG+ VCIF (USD 2.7 million)
- Fund of Funds VCIF (USD 1.2 million)

In line with the activities carried out under the fund, the number of startups receiving direct investment is projected to reach 18 by the end of 2025, with the total number of portfolio companies reaching 36. Under the BiGG program, carried out in cooperation with TÜBİTAK, the fund established in 2023 had invested in 185 startups as of 2025, with the total number of investments rising to 530.

Established to support innovative and advanced technology-focused startups, the Innovative and Advanced Technologies Participation Venture Capital Investment Fund (YİT) offers a significant source of financing with a commitment size of TRY 952 million. The number of companies invested in through this fund is targeted to reach 205 by the end of 2025.

ACTIVITIES OF DEVELOPMENT AND INVESTMENT BANK OF TÜRKİYE

Comprehensive and flexible financing solutions

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TKYB provides financing to manufacturing sector companies not only for new investments but also for capacity expansion, energy efficiency, modernization, and R&D and technology-focused projects, supporting efforts aimed at job creation, export growth, and import substitution.

Under the Regional Development Fund, launched in cooperation with the Ministry of Industry and Technology and KOSGEB, the aim is to increase SMEs' access to financing; as of 2025, the number of companies invested in through this fund has reached 4.

In addition, the second closing of the TÜBİTAK BiGG+ GSYF, established to support the entrepreneurship ecosystem, reached USD 2.7 million with 30 investors. Under this fund, seed investment processes are planned to continue for startups that have previously benefited from BiGG support.

Through its fund structure, TKF fosters strong collaborations among stakeholders in the entrepreneurship ecosystem, enhancing coordination among the public sector, private sector, and financial institutions. Through the flexible, independent investment platform TKF provides, aligned with international standards, financing models that support sustainable growth in strategic sectors continue to be developed.

PROJECT FINANCE AND CORPORATE LOANS

Over the past 20 years, TKYB has stood out for the significant financial support it has provided to various sectors of our country. Continuing its strong partnerships with international financial institutions in 2025, our Bank has continued to contribute to the country's regional development priorities in line with its sustainable and inclusive development approach. In this context, throughout 2025, important steps were taken to finance projects supporting climate finance, digital transformation, renewable energy, and manufacturing investments — with a particular focus on increasing employment in the earthquake region. Accordingly, loan agreements totaling approximately USD 1.3 billion were signed with the World Bank, the Asian Infrastructure Investment Bank, the China Development Bank, the Asian Development Bank, and the Italian Development

Bank (CDP). Through these resources, contributions continue to be made to the national economy in priority areas such as strengthening employment, accelerating the green transition, developing digital infrastructure, supporting regional development, and increasing production capacity.

Through project finance and corporate loans, TKYB supports strategic sectors with high economic and social development impact — such as automotive, iron and steel, textiles, and renewable energy — thereby contributing to the goals of economic development, social progress, and environmentally responsible growth. The Bank provides financing to manufacturing sector companies not only for new investments but also for capacity expansion, energy efficiency, modernization, and R&D and technology-focused projects, supporting efforts aimed at job creation, export growth, and import substitution. In structuring this support, alignment with sector priorities and development plans is taken into account. In the energy sector, within the framework of prioritized projects with high environmental impact, the Bank finances investments based on renewable sources such as solar and wind, as well as resource efficiency, waste management, and sustainable production solutions in energy-intensive sectors, aiming to reduce fossil fuel use and external dependency. In addition, through its support for environmental investments such as waste-heat-to-energy generation, water treatment systems, and recycling, the Bank contributes to emission reduction and the efficient use of resources. In the tourism sector, support for sustainable tourism is provided through renovation projects that prioritize energy efficiency. Depending on financing needs, the Bank offers customers either long-term investment loans or working capital loans; these loans are extended either as direct corporate loans or as special purpose vehicle (SPV) loans, with assessments based on existing balance sheets. Applications are received by the Corporate Banking and Project Finance Unit. In addition

to direct lending, the Bank is also able to offer broader-reaching financing solutions by channeling resources through intermediary financial institutions. This method is deployed particularly to increase access to financing for SMEs and regional projects.

Lending Process

The Lending Process consists of four stages: Project Risk Analysis, Feasibility, Project Financing Model, and Monitoring Period. The Project Risk Analysis stage involves conducting sector and company/group analyses, as well as examining macroeconomic, project-specific, and company-specific risks. The Feasibility stage involves evaluating the project from various perspectives, including its technical adequacy, financial suitability, economic return, legal status, environmental impact, and social suitability. These evaluations are structured in alignment with our Bank's Sustainability Principles and Impact Management approach. In line with its environmental and social policy principles, our Bank also takes into account the economic, environmental, and social risks that may arise from its services and activities. Action plans aimed at preventing or mitigating risk have been made an integral part of the credit evaluation process. In the credit allocation process for projects, the results of the Environmental and Social Risk Assessment and Monitoring Process constitute an important input for our Bank. The outputs of this process form the basis for determining final credit terms and making responsible financing decisions regarding the project. The Project Financing Model stage involves determining the financial elements of the project, such as the debt/equity ratio, working capital requirements, maturity structure, and project/loan collateral. In the Monitoring Period, the project's technical progress and environmental-social impact reports are regularly tracked to monitor the performance of the financed project.

ACTIVITIES OF DEVELOPMENT AND INVESTMENT BANK OF TÜRKİYE

USD 98 million dedicated to clean energy

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By channeling World Bank-sourced funds to the real sector through intermediary financial institutions, TKYB creates a sustainable financing structure by recycling resources obtained from repayments.

Category	Sub-headings
Project Risk Analysis	Macroeconomic Risks
	Sectoral Analysis
	Project Risks
	Company Risks
	Company/Group Analysis
Feasibility	Environmental, Social and Governance Risk Analysis
	Technical Assessment
	Financial Assessment
	Economic Assessment
	Project Cash Flow
	Sales and Pricing
	Environmental and Social Risk Assessment
Project Financing Model	Legal Permits and Legal Status
	Debt-Equity Balance
	Working Capital
	Maturity
Monitoring Period	Project/Loan Collaterals
	Technical Progress Reports
	Environmental and Social Monitoring Reports

Wholesale Banking (APEX) Lending Process

The APEX Banking Lending process begins with the signing of a loan agreement with the funding institution. This process is based on the principle of providing resources through intermediary financial institutions (IFIs) rather than reaching end beneficiaries directly. The Bank allocates limits to potential Intermediary Financial Institutions (IFIs). We then prepare Offer Letters and IFI agreements, obtaining approval from the Funding Institution before proceeding. At this stage, the Bank negotiates the terms of the agreement with the IFI and finalizes them upon approval by our Legal unit. Limits are allocated to potential Intermediary Financial Institutions. Offer Letters and IFI agreements are then prepared. Approval is obtained from the Funding Institution for these agreements before proceeding. At this stage, the terms of the agreement are negotiated with the IFI and finalized upon approval by our Legal unit. Subsequently, a financial and environmental compliance review of the relevant IFI is conducted, approval is obtained from the Funding Institution, and the agreement is signed with the IFI. Following the disbursement of IFI loans, the sub-loans submitted by the IFI are evaluated. Monitoring and reporting activities are carried out for approved sub-loans.

Wholesale Banking (APEX) Lending Activities

World Bank Registered Employment Generation Project – Financial Employment Creation Component (FEC Project – FECF)

Under the Registered Employment Generation Project carried out in cooperation with the World Bank, loans disbursed through financial institutions via the APEX method aim to support employment in the real sector. In this context, an Intermediary Institution Loan Agreement was signed for a loan of approximately EUR 190 million, and the disbursement process to leasing companies was completed as of December 31, 2024. Resources obtained from repayments under the project were

reassessed in line with the project’s objectives and reintroduced into the financing cycle through the APEX mechanism. In this context, approximately EUR 50 million in new loans were disbursed to leasing companies in the fourth quarter of 2025.

World Bank Emergency Firm Support Project – Wholesale Banking Component (EFSP)

Under the Emergency Firm Support Project, financed by the World Bank to meet the working capital and investment needs of SMEs affected by the COVID-19 pandemic, a total of USD 250 million in resources was disbursed through the APEX method.

The full amount of resources allocated under agreements signed with seven leasing companies and two banks approved by the World Bank has been utilized, with allocation and disbursement processes supported by contract revisions throughout the project. Loan repayments received under the project are reintroduced into the APEX mechanism in line with the project’s objectives, creating a sustainable financing cycle. In this context, approximately USD 40 million in additional loans were disbursed to leasing companies during 2025.

World Bank DSPV Loan (Distributed Solar Photovoltaic Project)

The DSPV Project, carried out under the loan agreement signed between Development and Investment Bank of Türkiye and the World Bank on May 21, 2024, aims to support solar energy investments with financing of USD 98 million. The project covers the second phase of implementation, and preparation of the Facility Operational Manual (FOM) for Intermediary Financial Institutions has been initiated to define the operational processes for disbursements to be carried out through the APEX method.

ACTIVITIES OF DEVELOPMENT AND INVESTMENT BANK OF TÜRKİYE

Grant programs managed to global standards

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Development and Investment Bank of Türkiye (TKYB) has secured a loan of EUR 316 million from the World Bank (IBRD) under the project, along with a grant of EUR 76 million from the European Union Facility for Refugees in Türkiye (FRIT-II) for the Financial Assistance Program for Refugees.

Wholesale Banking Grant Program Management Process

The Grant Program Management Process begins with the signing of a grant agreement between the funding institution and the Bank. During this process, a call for proposals under the appropriate grant program is announced, and applications are invited from potential beneficiaries. Applications are first reviewed from an administrative compliance standpoint, then proceed through technical, financial, and environmental-social evaluation processes. As a result of the evaluation, beneficiaries who qualify for support are determined, and grant agreements are prepared in accordance with the approval of the funding institution.

Following the entry into force of the agreement, the Beneficiary Firm begins implementing its project activities. Throughout the implementation period, activities such as procurement, expenditures, employment commitments, and project performance indicators are regularly monitored. Progress reports and environmental and social monitoring reports are provided by the beneficiaries through site visits and monitoring activities. Advance, interim, and final payments are made in line with expenditure justifications. At the end of the project, final performance indicators are evaluated, and project closure is carried out. Throughout this process, contract amendments, environmental and social obligations, and complaint management mechanisms are managed as an integral part of the process.

Grant Program Process:

- Signing of the Grant Program Resource Agreement
- Announcement of the Call for Grants
- Receipt of Applications
- Administrative Compliance and Preliminary Review
- Technical and Financial Evaluation

- Environmental and Social Compliance Evaluation
- Evaluation Committee Assessment
- Obtaining First Board Approval
- Environmental and Social Compliance Evaluation
- Evaluation of Results
- Obtaining Second Board Approval
- Preparation of Grant Agreements
- Signing of Grant Agreements
- Advance Payment
- Implementation of Project Activities
- Execution of Procurement Processes
- Technical and Financial Monitoring
- Environmental Social Monitoring
- Site Visits and Performance Tracking
- Interim Reporting and Interim Payment
- Final Reporting and Final Payment
- Project Closure and Impact Assessment

World Bank Registered Employment Generation Project – Grant Component (Kayist)

Under the Registered Employment Generation Project, the aim is to increase access to the labor market for Syrians under Temporary Protection (GKSS) as well as Turkish citizens, to expand and strengthen sustainable employment opportunities through registration and human-dignity-based employment, and to reduce dependency on beneficiary firms. In this context, Development and Investment Bank of Türkiye (TKYB) has secured a loan of EUR 316 million from the World Bank (IBRD) under the project, along with a grant of EUR 76 million from the European Union Facility for Refugees in Türkiye (FRIT-II) for the Financial Assistance Program for Refugees.

The project prioritizes 24 provinces identified based on the labor market where GKSS individuals are densely present. In this context, it is envisioned to strengthen the development and expansion capacities of beneficiary firms in order to develop registered employment opportunities for both Turkish citizens and refugees.

Under the Kayist Grant Project, a Call for Proposals was announced in December 2021, and by March 2022, 1,145 applications had been received. The total grant support requested by the received applications amounted to EUR 107 million. Following administrative compliance and eligibility checks, technical, financial, and environmental-social evaluations were carried out, resulting in the identification of 591 eligible beneficiary firms; sub-grant agreements were signed with these firms, and the program transitioned to the implementation phase in January 2024.

The implementation period for the sub-grant agreements was completed on June 30, 2025, and the reporting and payment processes were finalized by the end of 2025. As of December 31, 2025, EUR 47.4 million in grant support had been disbursed to 542 firms, and 9,690 jobs had been secured. As a result of efforts carried out during the first implementation period among the European Union, the World Bank, and TKYB regarding the approximately EUR 22 million in unused funds, it is envisioned that these funds will be utilized within the scope of an Extended Period expected to continue until December 31, 2026.

Sustainable Financing Approach

By channeling World Bank-sourced funds to the real sector through intermediary financial institutions, TKYB creates a sustainable financing structure by recycling resources obtained from repayments. This approach ensures the efficient use of financing resources while contributing to the uninterrupted support of economic activities.

OUR SUSTAINABILITY GOVERNANCE

Systematic corporate governance in sustainability

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Senior management ownership and strong institutional coordination ensure the effective implementation of our sustainability policies, strategies, and practices.

As TKYB, we adopt a holistic management model by integrating our approach to contributing to sustainable development across all of our banking activities. Accordingly, sustainability is treated not merely as a compliance area but as a strategic priority positioned at the center of our business model. Within the institution, we operate under two core approaches: the “Role Supporting Sustainable Development” and the “Responsible Banking Perspective.”

Senior management ownership and strong institutional coordination ensure the effective implementation of our sustainability policies, strategies, and practices. The sustainability agenda is regularly addressed at the Board of Directors level; strategic objectives, performance indicators, and risk areas are evaluated at this level and integrated into decision-making processes. Through this structure, sustainability performance has become an integral part of corporate governance.

The Sustainability Committee is one of the key mechanisms ensuring coordination among relevant units and supporting decision-making processes. The Committee plays an active role in matters such as developing sustainability strategies, monitoring performance, and identifying areas for improvement. The work carried out under the Committee is supported by regular data flow and analysis, with the resulting outputs reported to senior management.

Our Bank continuously updates its sustainability approach in line with national and international developments. In this context, strategic work is carried out in priority areas such as climate change, the circular economy, and sustainable finance, with developments on international platforms closely monitored. Active participation in major global processes, particularly COP29, strengthens the Bank’s knowledge base and is reflected in its practices.

In addition, work continues to align sustainability goals with science-based approaches, including the Science Based Targets initiative (SBTi) validation process. These targets are integrated into the Bank’s medium- and long-term strategic plans, making them a key component of the performance management system.

The effective management and coordination of sustainability activities is supported by the work of the Committee, chaired by the General Manager. Within this structure, target-setting, policy development, performance monitoring, and reporting processes are managed systematically.

Environmental and Social Risk Management

As TKYB integrates its sustainable development goals into lending processes, it regards the effective management of environmental and social risks as one of its core priorities. The Environmental and Social Impact Management (ESM) structure established in this context ensures that the potential impacts of financed activities are assessed from a holistic perspective. Our approach to assessing and managing environmental and social risks has been further strengthened through the Environmental and Social Impact Policy and related procedures, updated in December 2025.

Before being included in the financing process, projects are subjected to a comprehensive environmental and social review and classified according to their risk levels. Based on this assessment, necessary measures are determined for projects found to be suitable, and the relevant obligations are reflected in loan agreements.

Performance is regularly monitored throughout the project implementation process, and improvement actions deemed necessary are activated based on the findings obtained. Advisory services are utilized during this process, and stakeholder feedback mechanisms are actively used. In line with the principles of transparency and accountability, the Bank supports feedback processes through communication channels accessible to stakeholders.

Through this approach, TKYB effectively manages environmental and social risks in its financing activities while also strengthening its sustainable and responsible financing approach.

Corporate Governance Performance

TKYB continues to develop its strong performance in corporate governance alongside its sustainability approach. The Bank’s high Corporate Governance and Credit Rating scores stand out as an indicator of effective practices in this area.

The Sustainability Committee plays a critical role in monitoring and improving the Bank’s sustainability performance. The Committee guides the processes of determining strategic priorities, coordinating implementation, and evaluating performance outcomes.

This structure supports sustainability becoming an integral part of the corporate culture, while also strengthening the Bank’s capacity to create long-term value. The strong ownership and institutional integration achieved at the management level ensures the continuity and effectiveness of sustainability performance.

OUR SUSTAINABILITY COMMITTEE

Strategic commitment on the sustainability journey

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The Sustainability Committee plays a central role in the development, implementation, and monitoring of TKYB’s sustainability strategy.

TKYB adopts a strong governance approach for setting sustainability goals and effectively implementing them across the Bank. In this context, sustainability efforts, owned at the senior management level, are integrated into strategic decision-making processes and treated as an integral part of institutional activities.

The Sustainability Committee plays a central role in the development, implementation, and monitoring of the Bank’s sustainability strategy. The Committee operates under the chairmanship of the General Manager and is composed of members represented at the Board of Directors level along with senior executives. This structure ensures that sustainability matters are effectively managed at both the strategic and operational levels.

The Committee is chaired by the General Manager and comprises an independent Board Member, the Deputy General Manager to whom the Sustainability and Environmental Social Impact Management Unit reports, the Deputy General Manager to whom the Development Finance and Financial Institutions Unit reports, the Deputy General Manager responsible for Human Resources, Financial Affairs and Strategy, the Sustainability and Environmental Social Impact Management Unit Manager, and other assisting members selected by the Committee. Representatives from relevant units are also included in the Committee’s work as needed, creating a comprehensive evaluation environment.

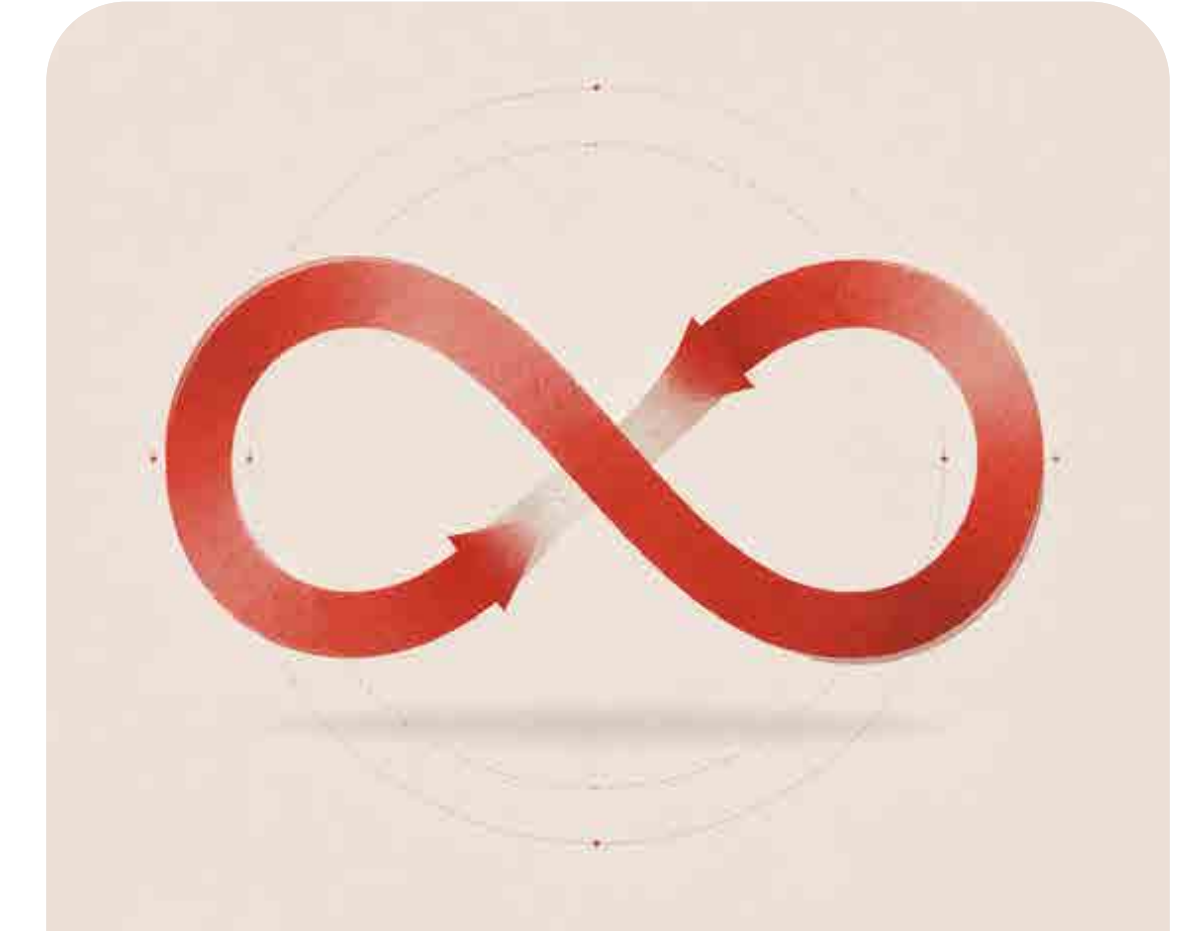
The Committee carries out core duties such as determining strategic priorities in the field of sustainability, evaluating developments, and directing the Bank’s activities accordingly. Encouraging the development and implementation of sustainability-focused projects is also among the Committee’s areas of responsibility.



Committee Activities and Assessments

The Committee met twice in 2025. At these meetings, decisions were made regarding the Bank becoming a Taskforce on Nature-related Financial Disclosures (TNFD) Adopter and including related reporting in the Integrated Report, as well as continuing to develop work on climate-related risks and opportunities in greater detail.

The Sustainability Working Group, operating under the Committee, carried out its regular work throughout the year, contributing to the monitoring of sustainability performance, supporting data collection and analysis processes, and developing recommendations to be presented to the Committee.



Organizational Updates and Continuity

In line with the work carried out by the Sustainability and Environmental Social Impact Management Unit since 2023, the Committee’s activities have been supported, and progress in the field of sustainability has been regularly monitored.

The Sustainability Committee continues to guide strategic decision-making processes in TKYB’s sustainability journey, and steadfastly continues its efforts to strengthen sustainability performance.

OUR POLICIES AND PRINCIPLES

Responsible banking for stakeholders



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TKYB systematically analyzes the environmental and social impacts arising from its activities and maintains open, transparent, and trust-based communication with its stakeholders.

Throughout 2025, TKYB steadfastly implemented its policies and commitments supporting sustainable development, further strengthening its sustainability-focused corporate culture. The Bank shapes all of its activities — from investment decisions to operational processes — in line with sustainability principles, positioning the fight against the climate crisis, efficient use of resources, and responsible financing as core priorities.

The sustainability goals set in 2020 have been integrated into all of the Bank's business processes, and as of 2025 this approach has become one of the core components of institutional operations. TKYB systematically analyzes the environmental and social impacts arising from its activities and maintains open, transparent, and trust-based communication with its stakeholders. Through the practices carried out in this regard, direct and indirect contributions are made to the Sustainable Development Goals (SDGs).

The Bank regards treating all customers and business partners equally, and providing a safe working environment that respects human rights, as a core responsibility. In addition, various training and communication activities are carried out to raise awareness of sustainability both within the institution and among stakeholders.

Sustainability policies and commitments are defined to cover all of the Bank's activities, with related documents approved by the Board of Directors. Policies and commitments are shared with employees, customers, and other stakeholders through training programs and communication channels.

These policies are owned at the senior management level and integrated into strategic decision-making processes, ensuring that the sustainability approach progresses in line with the Bank's long-term value creation goals.

Throughout 2025, efforts to more effectively implement sustainability policies and principles at the institutional level gained momentum. Employee knowledge and awareness were raised through training programs, with comprehensive content provided on topics such as climate change, environmental and social risk management, SROI analysis, and TSRS compliance processes.

As part of these efforts, the Sustainable Development Academy was actively utilized, and international developments were closely monitored and integrated into internal Bank practices. The Bank continues to ensure that its sustainability commitments are reflected across all business processes, maintaining its goal of being a trusted financial institution while upholding its responsibilities toward customers, employees, and other stakeholders.

TKYB regularly reviews and updates its policies and principles, continuing to support its institutional transformation in the field of sustainability and to reinforce its leadership in this area.

Sustainability Policies and Commitments

Our Environmental and Social Policy

In line with its goal of contributing to sustainable development, TKYB integrates its environmental and social policy into all of its activities. As of 2025, this policy continues to be implemented to cover all of the Bank's employees and operational processes. The Bank adopts compliance with the environmental and social standards of international financial institutions as a core principle in the projects it finances.

OUR POLICIES AND PRINCIPLES

Investing in the future with a net-zero vision

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TKYB strengthens its strategies in this field by taking into account the economic, social, and financial impacts of climate change.

The Environmental and Social Impact Management (ESM) system established in this context is operated as an integral part of lending processes. Projects are subjected to comprehensive risk assessments prior to financing and classified according to their environmental and social risk levels. Based on the assessment results, measures to mitigate potential negative impacts are determined, and management plans are requested from customers where necessary.

The Bank conducts special assessments in sensitive areas such as the protection of biodiversity and cultural heritage, carrying out more detailed analysis processes for projects that carry high risk in these areas. This approach contributes to strengthening the Bank's sustainable financing approach.

Sustainability-focused work continued throughout 2025, with efforts sustained to develop targets aligned with the Science Based Targets initiative (SBTi). Reporting carried out under CDP and sustainability risk analyses contribute to the Bank's progress toward its Net-Zero goals.

In addition, the Bank continued to expand its partnerships in the field of sustainability; knowledge sharing and capacity development were supported through joint efforts with universities and related institutions. These partnerships increase engagement with young talent while contributing to the development of the Bank's institutional knowledge base in the field of sustainability.

Environmental Management System

TKYB systematically manages its environmental impacts by adopting a management approach compliant with the ISO 14001 Environmental Management System standards. In this context, the aim is to reduce the impacts arising from activities and continuously improve environmental performance.



Nonconformities identified as a result of internal audits conducted in 2025 were resolved, and the effectiveness of processes was enhanced. Environmental performance is continuously improved through efforts carried out in areas such as energy and resource efficiency, waste management, and environmental awareness.

The Bank implements various practices to ensure the effective management of resources used in its activities, minimize environmental impacts, and raise environmental awareness among employees.

Our Climate Change Mitigation and Adaptation Policy

TKYB strengthens its strategies in this field by taking into account the economic, social, and financial impacts of climate change. In line with the Climate Change Mitigation and Adaptation Policy published in 2020, greenhouse gas emissions arising from operations are monitored and reduction targets are set.

As of 2025, greenhouse gas emissions are calculated and verified in accordance with the GHG Protocol and

the PCAF methodology. The Bank transparently shares its climate performance on international platforms through the reporting it carries out under the Carbon Disclosure Project (CDP).

During the same year, efforts to reduce scope emissions continued, and significant progress was made toward the carbon-neutral target. This process contributes to the Bank's net-zero emissions vision.

Training programs for employees and stakeholders were organized to effectively manage climate risks, raising awareness and strengthening risk management capacity. Climate change has been integrated into credit evaluation processes, becoming a key component of financial decision-making mechanisms.

TKYB continues to implement the targets it has set under its environmental and social policies and climate policy in line with national and international standards, maintaining its commitment to contributing to sustainable development goals.

OUR EFFECTIVE STAKEHOLDER COMMUNICATION



Development and Investment Bank of Türkiye adopts a communication approach based on open, continuous, and mutual engagement with its stakeholders in the process of developing and implementing its sustainability strategies. Throughout 2025, work was carried out within a strong network of cooperation with customers, investors, public institutions, international financial institutions, business partners, advisors, and civil society organizations.

A structured stakeholder analysis process is applied to properly understand stakeholders' expectations and priorities. Within this process, the views of both internal and external stakeholders are systematically evaluated, with the findings taken into account in shaping the Bank's sustainability strategies and practices. Accordingly, a solution-oriented approach responsive to stakeholder expectations has been developed.

By adopting a holistic approach to sustainability management, stakeholder communication processes have been integrated into institutional operations. In this context, communication channels for different stakeholder groups have been diversified, and a two-way, inclusive communication infrastructure has been established. This ensures that stakeholder feedback is effectively reflected in decision-making processes.

Within communication processes directed at internal stakeholders, the corporate intranet continues to be used as an active tool. Through this platform, employees are provided with rapid access to up-to-date information, developments in the field of sustainability are shared regularly, and employee engagement is encouraged.

TKYB views its stakeholders not merely as recipients of information but as an important part of the value creation process. In line with this understanding, feedback mechanisms are operated effectively, and the data obtained is integrated into decision-making processes.

Through meetings, training programs, and sectoral engagements held throughout 2025, strong and sustainable relationships were developed with stakeholders. The Bank remains committed to maintaining a stakeholder-focused, transparent, and participatory communication approach in line with its goal of creating sustainable value.

OUR EFFECTIVE STAKEHOLDER COMMUNICATION

Stakeholder Group	Employees	International Financial Institutions	Investors	Customers	Public Institutions	Civil Society Organizations	Suppliers	Auditors
Stakeholder Expectations	• A safe, healthy and inclusive work environment • Career development, training and learning opportunities • Compensation and benefits • Participatory management • Performance-based evaluation system • Training activities • Performance evaluation system • Professional and personal training programs • Two-way dialogue channels	• Provision of requested data • Completion of approval processes • Timely and accurate communication • Building reputation • Provision of SME financing • Financing of renewable energy • Responsible banking approach • Reporting • Meetings • Current assessments of the Turkish market and markets • Trends related to investments • Periodic updates on financed projects • Support for sustainable development • Coordination with relevant units to prepare requested data • Preparation of routine monitoring reports • Updating of mission and status • Full participation in required meetings • Supporting promotion of the credit portfolio with presentations and visuals when needed • Timely completion of necessary preparations and reporting • The Bank's rapid and effective planning of existing resources, and identifying international financial institutions accordingly by monitoring market trends and customer information to ensure the continuity of new resources • As teams in direct contact with customers, conveying the sectors of ongoing and planned investments and qualified orientations in our country to fund providers during periodic meetings • Project management in sectors aligned with our country's sustainable development goals • Providing advisory services to private sector and public institutions in the field of renewable energy	• Building reputation • Financing of renewable energy • Responsible banking approach • Providing added value to the national economy • Debt instruments • Providing advisory services related to share IPOs and other capital markets transactions • Support for sustainable development • Supporting investments within the scope of the export-industrialization strategy • Meetings • Sharing announcements and current news • The Bank setting its targets in a manner parallel to our country's goals • Concluding new funding agreements with strong public support; conducting the Bank's activities in line with common stakeholder expectations • Holding discussions with investors within the scope of advisory services provided for capital markets transactions carried out by public institutions and private sector companies • Discussions held within the scope of advisory services provided for environmentally and socially oriented capital markets transactions aimed at Türkiye's sustainable development • Creating differentiation in capital markets • Providing advisory services for projects of public institutions and private sector companies in various sectors, primarily energy, chemicals, technology and automotive	• Financing of SMEs • Financing of renewable energy • Securing of Bank services • Staying top-of-mind with the Bank in line with overall goals • Ensuring efficient processes in loan utilization • Responsible banking approach • Debt instruments • Providing advisory services related to share IPOs and other capital markets transactions • Securing suitable financing sources • Access to alternative financing sources (strategic/financial partnership, company/asset sale, merger, demerger) • Cross-border investments (financial evaluation and feasibility within the scope of obtaining a greenfield investment incentive certificate) • Holding project information meetings • Sharing announcements and current news • Signing of contracts • Providing training • Management and financing of projects • Timely completion of necessary preparations for transactions and ensuring full participation • Application processes carried out with all other institutions, primarily the CMB (SPK), Borsa İstanbul, MKK and Takasbank • Advisory services for environmentally and socially oriented capital markets transactions aimed at Türkiye's sustainable development • Ensuring customers always receive the fastest and most accurate outcomes • For the Bank's resource-generating and implementing investments • Submitting proposals and offers, developed to meet customer demands and needs within the framework of the Bank's Credit Policies, for Board of Directors approval • Managing progress payment and disbursement processes following loan utilization • Providing information, M&A and financial advisory services to public institutions and/or foreign private sector companies • Handling, evaluating and reducing customer complaints • Increasing and improving customer satisfaction • Addressing and meeting customer expectations • ISO 10002 Customer Satisfaction Management System certification	• Provision of requested data • Completion of approval processes • Timely and accurate communication • Supporting regional development • Supporting priority sectors (import-reducing and export-increasing sectors) • Conducting applications with all other public institutions regarding capital markets transactions, primarily the Republic of Türkiye Ministry of Treasury and Finance, CMB (SPK), Borsa İstanbul, MKK and Takasbank • Providing investment banking services • Coordination with relevant units to prepare requested data • Ensuring communication during the project period • Carrying out applications to institutions such as CMB (SPK), Borsa İstanbul, MKK and Takasbank within the scope of advisory services • Developing projects in line with the requests of all relevant public institutions and participating in working groups • Providing financial, M&A and privatization advisory services to public institutions and portfolio companies, primarily the Privatization Administration (OİB), Türkiye Wealth Fund (TVF) and Savings Deposit Insurance Fund (TMSF)	• Supporting regional development • Financing of renewable energy • Supporting employment • Ensuring communication during the project period • Providing financial advisory and M&A advisory services to greenfield and/or portfolio companies	• Growing together and creating value by supporting their financial development • Procurement management plan • Identifying potential vendors and assessing their qualifications • Making build/buy decisions • Managing tender/bid/contract processes • Acceptance of supplies • After-sales services (SLA and customer relationship management)	• Transparency • Accountability and reliability • Compliance and internal controls • Providing audit findings and coordinating with relevant units to prepare requested data • Ensuring communication during the project period and producing audit result reports • Improving compliance processes, internal control mechanisms and risk management
Stakeholder Communication Channel								
Email	Phone	Surveys	Courier	Meetings	Video Conference Meeting Platforms	In-Person Meetings	Reporting	Website
Electronic Document Management System	Public Disclosure Platform	Legal Compliance and Activity Reports	Memberships	Conferences	Social Media Accounts	Press Releases	Online Integrations	Audit Reports

MATERIALITY ANALYSIS AND PRIORITY TOPICS

In shaping its sustainability strategy, Development and Investment Bank of Türkiye adopts a holistic prioritization approach that takes into account not only current performance indicators but also the environmental and social impacts arising from the Bank's activities and the factors that determine long-term financial resilience. Within this approach, the Bank's responsibilities toward nature and society are treated as a fundamental reference point, with prominent trends in the global sustainability agenda, regulatory developments, and sector dynamics closely monitored.

In the process of identifying priority topics, comprehensive, multi-layered analyses were conducted within the Bank before moving to the stakeholder engagement stage. In these analyses, the impacts, risks, and opportunities arising under the environmental, social, and governance headings were evaluated together with the Bank's strategic objectives, business model, and value chain perspective, taking into account value creation potential across different time horizons (short, medium, and long term). The aim was thus to establish a set of priorities that not only responds to current expectations but also encompasses areas of transformation that may emerge in the future.

The findings obtained from this work are integrated into the Bank's strategic decision-making processes and used as input in setting sustainability goals and monitoring performance. The materiality analysis is reviewed at regular intervals in line with changing stakeholder expectations, global trends, and sectoral

developments, thereby supporting a dynamic, continuous-improvement-based management approach that strengthens TKYB's contribution to sustainable development goals.

1. Review of Past Analyses: In the first stage of the process, TKYB comprehensively revisited the 2024 materiality analyses and the priority topics identified at that time. In this context, the findings and strategic priorities obtained the previous year were reviewed, and their relevance and strategic importance to current sustainability topics were assessed.

2. Identification of Material Topics: Based on the data and views obtained during the review process, priority topics are identified according to the Bank's operations, environmental and social impacts, stakeholder expectations, and sectoral dynamics. These topics are selected taking into account sector trends (see Item 4, Assessment of Global and Sectoral Trends), the Bank's overall strategy, and feedback received from senior management.

3. Stakeholder Engagement: The identified material topics are presented for stakeholder feedback before being included in the materiality analysis. In the 2025 survey process, the Bank obtained a total of 224 qualified responses. The results obtained indicate which topics both internal and external stakeholders consider critical for TKYB, serving as a key reference point in determining the strategic importance level of these topics.

4. Assessment of Global and Sectoral Trends: In addition to stakeholder feedback, the Bank also incorporates global and sectoral developments into the analysis process. In this regard, sector-specific topics defined by the Banking Regulation and Supervision Agency's (BRSA) Sustainable Banking Strategic Plan, the Sustainable Development Goals, the World Economic Forum's (WEF) Global Risks Report, the Sustainability Accounting Standards Board (SASB), the London Stock Exchange Group (LSEG), and S&P Global are taken into account. This holistic approach enables the Bank to identify strategically prominent topics in sector assessment processes while analyzing material topics, and also allows for a detailed analysis of sector-specific impacts.

5. Materiality Analysis Study: Based on stakeholder feedback and sectoral trend analyses, topics are ranked according to the Bank's established prioritization scale. The prioritization process is completed by categorizing topics according to their level of importance. In this context, topics scoring 65 or above are classified as "high-priority topics," while those scoring between 55 and 65 are classified as "priority topics."

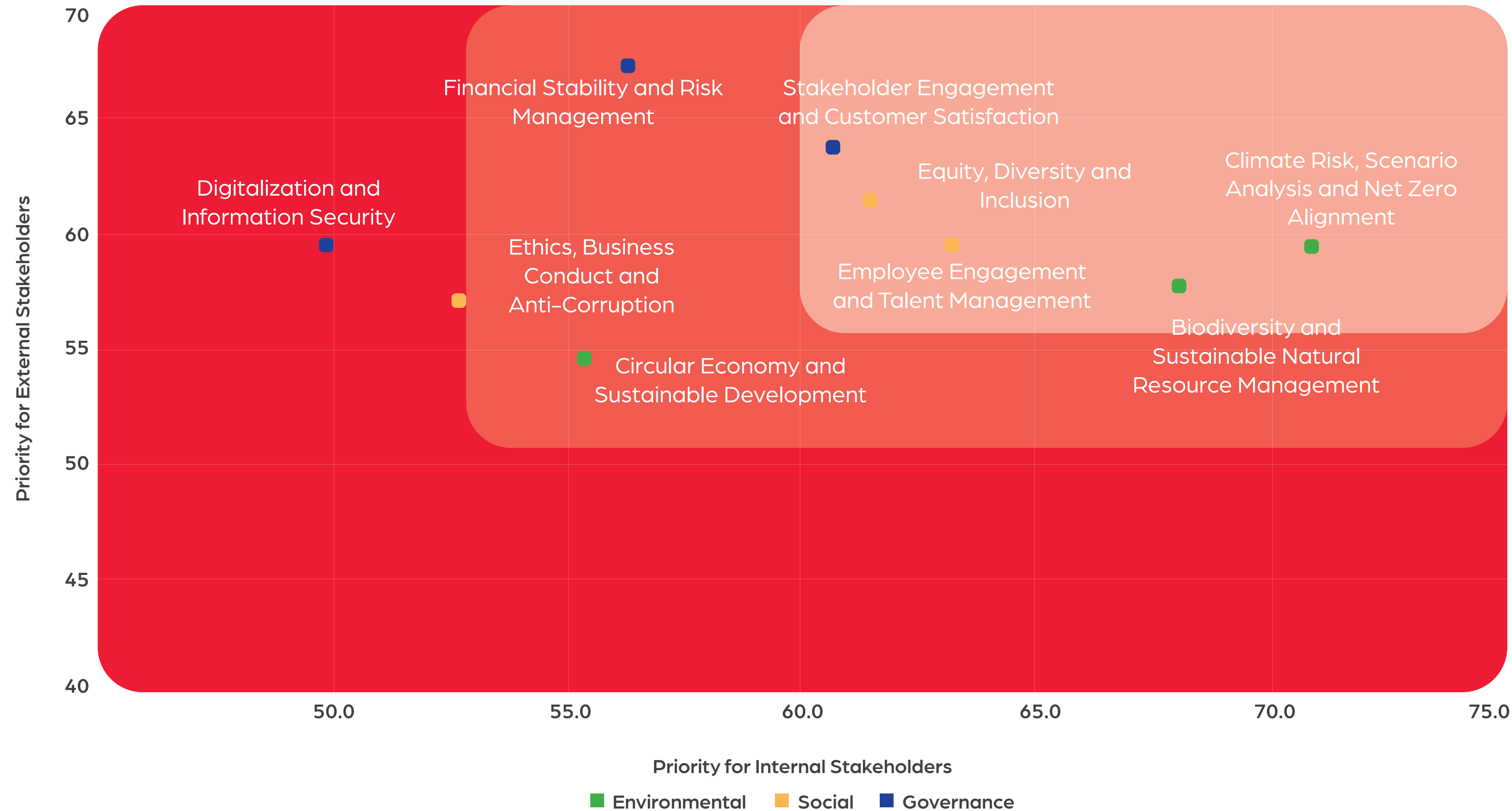
6. Role of Management: The priority topics for 2025 were reviewed and approved by the Board of Directors. Management plays a central role in determining and implementing strategic priorities. The Board of Directors and the Sustainability Committee ensure that the materiality analysis and evaluation processes are carried out correctly. In this process, a holistic approach

has been adopted with the active participation of both bodies, enabling priorities to be determined in alignment with sustainability and growth strategies.

7. Integration into Strategies: Based on the results of the materiality analysis, the Bank transparently shares its priority topics in its integrated report and shapes its sustainability strategies accordingly. These identified priorities ensure a strong link between the Bank's long-term strategies and operational planning. In addition, the materiality analysis makes a significant contribution to corporate risk management processes. Through this integration, the Bank both advances more effectively toward its sustainability goals and strengthens its risk management by developing timely and effective solutions to anticipated risk factors.

8. External Assurance: The materiality analysis process was rigorously assessed and its accuracy confirmed by an independent external assurance provider. This verification contributes to the Bank's ability to respond more effectively to stakeholder expectations, adapt quickly to changing market conditions, and support strategic decision-making in line with a process improvement mindset. In this way, the Bank both transparently manages its sustainability performance and reinforces its institutional credibility.

MATERIALITY ANALYSIS AND PRIORITY TOPICS



The results of the materiality matrix show that climate risk, scenario analyses, and net-zero alignment stand out as the highest-priority topic for both internal and external stakeholders. This indicates that the management of climate-related risks, the transition to a low-carbon economy, and alignment with net-zero targets are regarded as strategic headings on the institution's sustainability agenda. Biodiversity and sustainable natural resource management, employee engagement and talent management, equity, diversity and inclusion, and stakeholder engagement and customer satisfaction are also positioned in the high-priority area, demonstrating the importance of environmental and social impacts from a stakeholder-expectations perspective. The prominent positioning of financial stability and risk management, along with digitalization and information security, on the matrix demonstrates that governance and institutional resilience dimensions are complementary elements of the sustainability approach. Overall, the matrix indicates that while the institution's sustainability strategy has a strong climate focus, it must also address environmental, social, and governance topics in a holistic manner.

RESPONSIBLE BANKING FOR A SUSTAINABLE FUTURE

Development that creates long-term value

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By the end of 2025, the share of sustainability-themed loans within the total loan portfolio reached 96%.

2.7

USD billion

Sustainable development financing

TKYB steadfastly continues its work by placing its goal of contributing to sustainable development at the center of all its banking activities. With more than half a century of experience, the Bank integrates its environmental, social, and governance (ESG) approach into all financing processes, aiming to build an inclusive, resilient development model that creates long-term value. Focused on the future of Türkiye and the global economy, TKYB directs its investments in line with sustainability principles, positioning the fight against climate change and the transition to a low-carbon economy among its strategic priorities. Accordingly, within the framework of responsible banking, the Bank aims to reduce environmental impacts, use resources efficiently, and increase social benefit.

The Bank does not limit its sustainable development approach solely to the projects it finances but integrates it across its entire institutional operations. In this context, national and international developments are closely monitored, and practices are continuously developed in line with the Principles for Responsible Banking developed by the United Nations Environment Programme Finance Initiative (UNEP FI), in particular.

The efficient use of resources, effective risk management, and the holistic assessment of the environmental and social impacts of investments form the Bank's core approach. Accordingly, sustainability criteria have been made an integral part of decision-making processes in project finance, venture capital, and private sector investments.

Areas such as renewable energy, energy efficiency, food security, and the reduction of industrial carbon emissions are, in particular, among TKYB's priority financing areas. Investments made in these areas strengthen the Bank's contribution to its sustainable development goals.

As of 2025, TKYB provided a total of **USD 2.7 billion** in sustainable development financing, making direct or indirect contributions to **15 of the 17 Sustainable Development Goals**.

Specifically, our investments in renewable energy covered approximately 6.6% of such projects in Türkiye and **prevented 3.9 million tons of CO₂ emissions**.

By the end of 2025, the share of sustainability-themed loans within the total loan portfolio reached **96%**, while the share of financing directed toward climate-related Sustainable Development Goals (excluding APEX) stood at **56%**.

In line with its responsible banking approach, TKYB will continue to prioritize investments that support economic growth, reduce environmental impacts, and create social benefit. Accordingly, the Bank has adopted the promotion of a sustainable and inclusive economic transformation as a core goal.



ESG AND CLIMATE RISKS AND OPPORTUNITIES

Risk assessment for responsible financing

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Under the ESG model implemented throughout 2025, all financed projects were assessed and monitored through the following core processes.



TKYB manages environmental and social risks and opportunities in a manner aligned with its sustainable development goals. The Bank implements the Environmental and Social Risk Management Model as an integral part of its lending processes, enabling us to identify, assess, and manage risks effectively at an early stage.

This model enables not only the mitigation of risks but also the evaluation of opportunities in the field of sustainability, contributing to a more holistic approach in the Bank's financing decisions.

Our ESG Risk Classification Approach

Within the framework of the model actively implemented as of 2025, all projects are classified into four main categories according to their environmental and social risk levels:

- **A (High Risk):** Projects with high environmental and social impacts
- **B+ (Medium-High Risk):** Projects carrying significant environmental and social risk
- **B (Medium Risk):** Projects involving a moderate level of risk
- **C (Low Risk):** Projects with limited environmental and social impact

This classification approach not only determines the risk level of projects but also enables the assessment of clients' capacity to manage environmental and social risks. This supports sounder and more informed financing decisions.

Risk Management Practices

Under the ESG model implemented throughout 2025, all financed projects were assessed and monitored through the following core processes:

- **Screening Against the Exclusion List:** Projects were reviewed against the Bank's Exclusion List for compliance; no financing was provided for activities falling within this scope.
- **Environmental and Social Risk Assessment:** Projects were reviewed from an environmental and social perspective through comprehensive analyses and classified according to their risk levels.
- **Action Plans and Contractual Obligations:** Environmental and social action plans were prepared for projects in the high- and medium-risk categories; these plans were shared with clients and incorporated into loan agreements.
- **Performance-Linked Loan Conditions:** Environmental and social performance criteria were taken into account in lending processes, with financing conditions linked to these criteria.
- **Monitoring and Reporting Processes:** Projects were regularly monitored throughout the loan term; environmental and social impacts were assessed through site visits and reporting mechanisms.

NATIONAL AND INTERNATIONAL ENVIRONMENTAL REGULATIONS

Full corporate compliance with international regulations

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The calculation of loan portfolio emissions for the 2021–2025 period in accordance with the PCAF methodology has been completed and subjected to independent verification.

184

Number of projects analyzed as part of environmental and social risk assessment studies conducted throughout 2025

National Regulations Related to Environment, Occupational Health and Safety, Social Issues, and Biodiversity

- Regulation on Workplace Opening and Operating Licenses
- Environmental Law
- EIA (Environmental Impact Assessment) Regulation
- Waste Management Regulation
- Water Pollution Control Regulation
- Environmental Permit and License Regulation
- Regulation on Control of Industrial Air Pollution
- Noise Control Regulation
- Regulation on the Prevention and Mitigation of Major Industrial Accidents
- Regulation on Monitoring of Greenhouse Gas Emissions
- Regulation on Control of Soil Pollution and Point-Source Contaminated Sites
- Regulation on Control of Odor-Causing Emissions
- Medical Waste Control Regulation
- Regulation on Control of Waste Vegetable Oils
- Regulation on Control of Excavation Soil, Construction and Demolition Waste
- Zero Waste Regulation
- Waste Oil Management Regulation
- Packaging Waste Control Regulation
- Regulation on Environmental Management Services
- Occupational Health and Safety Law
- Labor Law
- Regulation on Health and Safety Measures in Working with Chemical Substances
- Regulation on Prevention of Risks from Exposure to Biological Agents
- Regulation on Protection of Employees from Noise-Related Risks
- Regulation on Protection of Employees from Vibration-Related Risks
- Dust Control Regulation
- Regulation on Health and Safety Measures in Workplace Buildings and Annexes

- First Aid Regulation
- Regulation on Waters Intended for Human Consumption
- Regulation on Fire Protection of Buildings
- Regulation on Emergency Situations in Workplaces
- Occupational Health and Safety Risk Assessment Regulation
- Regulation on the Procedures and Principles of Employees' Occupational Health and Safety Training
- Regulation on the Use of Personal Protective Equipment in Workplaces

International Regulations Related to Environment, Occupational Health and Safety, Social Issues, and Biodiversity

- World Bank Environmental and Social Standards Framework
- ISO 14001:2015 – Environmental Management System Standard
- IFC Performance Standards
- ILO Conventions
- European Union Environmental and Social Legislation
- AIIB Environmental and Social Framework
- International Best Available Techniques (BAT)
- Paris Climate Agreement and the European Green Deal
- Funding Institutions' Environmental and Social Standards
- International Conventions
- Convention on Biological Diversity

2025 ESG Risk Results

Under the Environmental and Social Risk Management Model implemented throughout 2025, financed projects were classified according to their risk levels. As a result of this assessment, no projects fell into the high-risk category, while **14 projects** were classified as medium-high risk, **41** as medium risk, and **129** as low risk.

2025 Developments and Practices

Through cooperation with international financial institutions, the Bank has systematized and detailed its environmental and social risk assessment processes. Consequently, we have strengthened monitoring and reporting activities and increased our institutional capacity.

Throughout 2025, the Bank completed environmental and social risk analyses for **184** projects; the risk categories and key findings of these projects were recorded in detail.

Data collection, monitoring, and reporting processes within sustainability-related work have been made more effective through digital infrastructure support. This has increased process traceability and ensured a more reliable flow of data to decision-making mechanisms.

The calculation of loan portfolio emissions for the 2021–2025 period in accordance with the PCAF methodology has been completed and subjected to independent verification. The outputs of this work have been shared with the public within the Integrated Report 2025.

Through this holistic approach, the Bank effectively manages both its direct operational risks and risks arising from indirect impacts, building a strong foundation in line with its sustainable financing goals.

ESG-FOCUSED INVESTMENTS AND FINANCING

Türkiye's first TNFD Adopter bank

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Throughout 2025, investments with high environmental and social impact were prioritized, with strong partnerships maintained with international financial institutions.

B

2025 Carbon Disclosure Project (CDP) Score

TKYB maintains its pioneering role in sustainable financing through an investment approach that takes environmental and social impacts into account. The Bank's financing decisions are shaped not only by economic indicators but also by the principles of environmental sustainability, social inclusion, and ethical governance.

Areas of Work and Strategic Activities

- National and international developments in the field of sustainability are regularly monitored, with the Bank's knowledge base continuously updated accordingly.
- The impact management approach is being developed with the aim of supporting projects that contribute to the Sustainable Development Goals.
- Environmental and social risks are integrated into lending processes, with related policies and practices continuously developed.
- Projects' alignment with the SDGs is analyzed, with their contribution to sustainable development systematically assessed.
- International standards and good practices are monitored and integrated into the Bank's processes, with frameworks such as the IFC Performance Standards used as reference.
- Transparent information sharing is ensured through reports prepared in the areas of sustainability, impact, and carbon management.
- Strategic priorities are determined and implemented in line with guidance provided by the Sustainability Committee.

Investment and Financing Activities

- Throughout 2025, investments with high environmental and social impact were prioritized, with strong partnerships maintained with international financial institutions. Through cooperation developed with institutions such as the World Bank, the Asian Infrastructure Investment Bank, and the China Development Bank, resources were secured in the areas of energy efficiency, renewable energy, and climate finance.

- Financing models supporting women's entrepreneurship were developed; projects targeting youth employment and vulnerable groups were integrated into lending processes.
- For projects with limited environmental and social impact, technical guidance was provided and Impact-Based Credit Assessment Criteria were applied, with the wider adoption of this approach supported.
- Funds raised through issuances under the Sustainable Bond Framework were used to finance projects generating environmental and social benefit.
- As of 2025, the share of sustainability-themed loans within the total loan portfolio reached 96%, with this financing contributing to 15 of the 17 SDGs.

Impact Management and International Alignment

- TKYB's sustainable investment approach has been strengthened through international standards and memberships. As one of the first institutions to adopt the IFC Performance Standards, the Bank bases its activities on the principles of transparency, sustainability, and accountability.
- Work carried out under the Bank's membership in the Global Impact Investing Network (GIIN) has strengthened its position in international impact investing.
- Work carried out in line with the UNEP FI Principles for Responsible Banking has reinforced the Bank's sustainability commitments, with the Bank taking an active role in related working groups.
- In addition, information sharing in the field of sustainability has been increased and institutional capacity developed through platforms such as SKD Türkiye (Business Council for Sustainable Development Türkiye).

Field Practices and Institutional Development

- Environmental and social risk assessment processes have been made more systematic on a project basis, with process effectiveness increased through the use of advisory firms.

- Projects developed in areas such as women's entrepreneurship, support for vulnerable groups, and social inclusion have been supported through technical assistance mechanisms.
- TKYB continues to contribute to the wider adoption of investments with strong, measurable environmental and social dimensions aligned with international standards, maintaining its impact-focused and inclusive financing approach.
- The Women's Empowerment Technical Assistance Program, carried out in cooperation between TKYB and AFD, has been completed.
- The fourth Allocation and Impact Report prepared under Türkiye's first Sustainable Eurobond, issued in 2022, was published by Development and Investment Bank of Türkiye (TKYB).
- The Bank became a member of the "Social Investment" and "Gender Equality & Women's Empowerment in Development Banks" coalitions under Finance in Common.
- The Bank achieved a B score in the 2025 Carbon Disclosure Project (CDP) program.
- A Green Taxonomy Subworking Group was established under the leadership of SKD Türkiye and the Bank, and a "Green Taxonomy Workshop" was held at Boğaziçi University. The related report was shared with the Ministry of Environment.
- The validation process for the Bank's SBTi targets was successfully completed and approved by SBTi. The Bank became the first financial institution in the world to have its targets validated under the Finance methodology published by SBTi.
- The Bank's Environmental and Social Policy and Procedure were comprehensively reviewed to incorporate new practices and were republished in December 2025.
- The Bank became the first bank in Türkiye to achieve TNFD (Task Force on Nature-related Financial Disclosures) Adopter status.

CLIMATE-FOCUSED INVESTMENTS AND FINANCING

Integrated financing approach with global funds

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A loan agreement equivalent to USD 500 million was signed with the World Bank (WB) on May 23, 2025, aimed at increasing employment in the earthquake-affected region.

Development and Investment Bank of Türkiye positions the fight against climate change at the center of its development banking approach, shaping its investment and financing decisions accordingly. The Bank's sustainable development mission encompasses multi-dimensional thematic areas such as supporting energy transition, promoting the wider adoption of low-carbon production models, strengthening employment, protecting food security, and reducing regional development disparities. In line with these themes, climate-focused investments are treated as one of the core components of TKYB's long-term value creation approach. TKYB's climate finance approach is built on financing mechanisms directed toward low-carbon and climate-resilient projects, in line with its net-zero emissions vision. These activities, carried out within frameworks aligned with international principles and standards, reflect the Bank's commitment to transparency, accountability, and an impact-focused approach. Through this structure, TKYB implements an integrated financing approach that contributes to both national development priorities and global sustainability goals through climate-focused investments. In this context, TKYB continues to secure access to loan and grant resources through partnerships developed with multilateral development banks, climate funds, and international financial institutions. These resources are structured for deployment in areas such as renewable energy and energy efficiency projects, investments aimed at reducing industrial carbon emissions, the green transformation processes of SMEs, and social-impact-focused financing. In this way, financing activities support both the transformation of economic activities and the strengthening of environmental and social benefit generation.

Strategic Investments Under Climate Action

In 2025, the Bank again treated the fight against climate change as an integral part of its investment and financing activities, implementing strategic practices



with high impact potential across various sectors. The work carried out during this period focused not only on generating tangible results in emission reduction but also on investments that support the transformation of energy systems, develop technological capacity, and strengthen resilience to climate risks.

These investments have been shaped within the framework of financing models responding to the transformation needs of the industrial sector, the wider adoption of renewable energy solutions, and technical work supporting infrastructure and knowledge generation. Through partnerships developed with international development institutions and financing partners, the aim has been to create long-term, scalable impact in the fight against climate change.

- A loan agreement equivalent to USD 500 million was signed with the World Bank (WB) on May 23, 2025, aimed at increasing employment in the earthquake-affected region.

- On August 29, 2025, a loan agreement equivalent to USD 200 million was signed with the Asian Infrastructure Investment Bank (AIIB) in the areas of climate finance and digital transformation.
- On September 1, 2025, a loan agreement of USD 200 million was signed with the China Development Bank (CDB) to meet the working capital needs of companies operating in Türkiye.
- On December 17, 2025, a loan agreement equivalent to USD 325 million was signed with the Asian Development Bank (ADB) to finance renewable energy and manufacturing sector investments across Türkiye and in the earthquake-affected region.
- On December 23, 2025, a loan agreement of EUR 50 million was signed with the Italian Development Bank (CDP) to finance solar energy investments in the earthquake-affected region.

CLIMATE-FOCUSED INVESTMENTS AND FINANCING

Systematic emissions monitoring across three scopes

1,631,491.38
tons CO₂e

Total greenhouse gas emissions in
2025

Energy and Emissions Management

In line with its sustainability goals, TKYB treats the greenhouse gas emissions arising from its activities as an integral element of its corporate management approach. Accurately identifying and monitoring emissions, and defining reduction actions, form the fundamental building blocks of the Bank's environmental performance. Accordingly, emission management efforts in 2025 were carried out with a systematic and holistic approach.

To ensure that greenhouse gas emissions data is managed consistently and reliably, the Bank applies a monitoring and reporting approach structured on the basis of internationally recognized standards. Within this framework, built with reference to the ISO 14001 Environmental Management System, the TS EN ISO 14064-1:2018 standard, and the GHG Protocol, emissions are addressed at the Scope 1, Scope 2, and Scope 3 levels.

The Bank's greenhouse gas emissions inventory is established using emission factors determined based on IPCC guidelines and the GHG Protocol. In this context, Scope 1 and Scope 2 emissions are calculated based on data related to the Bank's direct operational activities, while Scope 3 emissions are assessed to reflect the indirect impacts arising from the financial portfolio and services provided.

Based on calculations carried out in 2025, total greenhouse gas emissions (Scope 1, 2, and 3) were determined to be 1,631,491.38 tons CO₂e, with emission intensity per employee at 3.24 tons CO₂e.

The key performance indicators (KPIs) monitored by the Bank in 2025 are as follows:

- Greenhouse gas emission intensity trend (3-year)
- Electricity consumption
- Natural gas consumption
- Water consumption
- Paper consumption
- Waste volume (with waste sent for recycling separated out)
- Total installed capacity of renewable energy projects financed in 2025
- TKYB's share within Türkiye's renewable energy capacity as of the end of 2025 (%)
- Ratio of loans linked to the Sustainable Development Goals (SDGs) to the total loan portfolio as of the end of 2025 (%)
- Amount of SDG-linked loans disbursed in 2025
- Share of the climate- and environment-related SDG-linked loan portfolio within the total portfolio in 2025 (%)
- Number of projects subjected to environmental and social risk assessment in 2025
- Ratings of projects subjected to environmental and social risk assessment in 2025
- Total financing provided to renewable energy in 2025
- Annual tCO₂ emissions avoided through renewable energy projects financed in 2025

Energy Efficiency and Emission Reduction

The Bank continues its efforts to reduce the carbon footprint arising from natural gas, electricity, and fuel consumption within the framework of its corporate environmental management approach. Continuing a practice established in 2022, the Bank neutralized

its 2025 Scope 2 greenhouse gas emissions from electricity consumption using International Renewable Energy Certificates (I-RECs). This practice contributes to encouraging the use of renewable energy while also demonstrating the continuity of the Bank's operational emissions management approach.

Strengthening employee awareness is also an important component of the Bank's environmental management approach. Accordingly, Environmental Management System training is provided to new employees as part of the onboarding process, while training for existing employees continues to be updated at regular intervals. In addition, various initiatives in the areas of energy efficiency and sustainability aim to raise employees' knowledge and awareness.

Transition to a Net-Zero Economy

In line with Türkiye's net-zero emissions target, TKYB addresses its net-zero target for 2050 by linking it to corporate governance, lending policies, and investment priorities.

Within this framework, the Bank's financing structure as of 2025 demonstrates that this commitment has been translated into practice. While the sustainability-themed loan portfolio constitutes **96%** of the total loan portfolio, the share of financing assessed under climate-related Sustainable Development Goals stood at **56%**. During the same period, TKYB contributed to the financing of approximately **7%** of renewable energy projects across Türkiye, supporting the reduction of a total of **3.9 million tons of CO₂** emissions through the projects financed.

CLIMATE-FOCUSED INVESTMENTS AND FINANCING

Full alignment with zero waste principles

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All waste management operations are monitored and reported through digital record-keeping systems.

The Bank achieved a significant milestone in sustainability on a global scale, becoming the first financial institution in the world to have its targets validated under the updated FINZ methodology for the financial sector developed by the Science Based Targets initiative (SBTi), covering Scope 1, Scope 2, and investment-related Scope 3 emissions. To ensure its emission reduction targets are grounded in scientific principles, the Bank has aligned with SBTi's updated methodology and continues its work in line with the targets it has set accordingly. Within this framework, the Bank targets a 42% reduction in Scope 1 emissions by 2030, while aiming to neutralize Scope 2 emissions through renewable energy certificates (market-based), maintaining this at 100% in both 2030 and 2050. In addition, the Bank has adopted a target of 100% reduction in Scope 1 and Scope 2 emissions by 2050.

In terms of emissions arising from its financing activities, TKYB prioritizes supporting a climate-aligned transformation within a portfolio-based approach. In this context, the Bank aims to make 93% of its loan portfolio climate-aligned by 2030, while aiming to achieve net-zero alignment across all financed activities by 2050. In line with these targets, the climate impacts of financed projects will be systematically assessed, and the share of low-carbon and sustainable investments within the portfolio will be gradually increased. At the same time, the decarbonization process of the portfolio will be closely monitored in line with international methodologies and good practices, with necessary actions taken accordingly.

TKYB also uses an impact investment approach as a core tool in its net-zero journey. The environmental and social impacts of financed projects are systematically monitored, with the results used as input in resource allocation and prioritization processes. This approach supports the Bank's ability to create measurable and traceable impact through its financing activities.

Going forward, the Bank will continue to contribute to the net-zero transition by strengthening a climate-aligned portfolio structure and by offering financing solutions that support the wider adoption of renewable and low-carbon investments.

Water Management

The increasingly evident impact of climate change on water regimes in Türkiye makes more careful and planned management of water resources essential. Taking these risks into account, TKYB closely monitors water consumption, regularly assesses usage data, and prioritizes conservation-focused practices in its daily operations. The aim is to strengthen institutional resilience against the water stress expected to increase in the future, while meeting present-day needs.

Within the Bank, recognizing the importance of sustainable water use, awareness-raising activities as well as information and guidance for employees are carried out to promote the efficient and responsible use of water.

Given the nature of the Bank's activities, no industrial wastewater is generated; the wastewater that is produced does not pose an environmental risk and is managed in compliance with applicable regulations. In this context, the Bank's total water consumption in 2025 was **5,243.38 m³**, with water consumption per employee at **13.08 m³/employee**.

Waste Management

TKYB treats waste management as an integral part of its corporate environmental management approach, aiming to minimize the environmental impacts of waste arising from its activities. Waste generated within the Bank is monitored, classified, and recorded in accordance with applicable Zero Waste regulations. In this context, waste declaration processes are carried out regularly, and related certifications are kept up to date.

At the Bank's headquarters, waste generated is separated at source through waste bins classified by type. All waste management operations are monitored and reported through digital record-keeping systems. Carried out in line with the principles of transparency and traceability, these processes are among the core elements of the Bank's Environmental Management System practices.

In 2025, as part of the ISO 14001 certificate renewal process, all of the Bank's waste management practices were audited, and the audit process was completed without any nonconformities identified.

As of 2025, a total of **15,771 kg** of non-hazardous waste was directed to recycling at the Bank's headquarters. The breakdown by waste type is as follows:

- Paper/Cardboard: **13,059 kg**
- Plastic: **1,125 kg**
- Metal: **657 kg**
- Glass: **930 kg**

To increase the effectiveness of waste management practices, structured information and training activities on environmental awareness and waste sorting are carried out periodically for employees. Going forward, TKYB aims to continue its efforts to reduce waste generation, increase recycling rates, and more strongly integrate environmental management practices into its institutional processes.

SUSTAINABLE DEVELOPMENT ACADEMY

An interdisciplinary impact ecosystem for sustainability

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The Sustainable Development Academy aims to increase knowledge sharing among the public sector, private sector, universities, and civil society organizations, to develop actionable sustainability policies, and to contribute to Türkiye's net-zero transformation process.



Established by Development and Investment Bank of Türkiye to strengthen knowledge in the field of sustainability, develop academia-business cooperation, and create a shared area of impact aligned with the Sustainable Development Goals, the Sustainable Development Academy was founded in 2023 as a structure integrated with the Bank's corporate sustainability strategy. This project, which gained momentum in 2024, began to deliver its main outcomes in 2025, with stakeholders visibly benefiting from tangible results.

The Academy aims to increase knowledge sharing among the public sector, private sector, universities, and civil society organizations, to develop actionable sustainability policies, and to contribute to Türkiye's net-zero transformation process. In this context, comprehensive training and joint work programs are carried out on topics such as climate change, the

circular economy, sustainable finance, carbon and water footprint, social impact management, ESG assessment processes, gender equality, and sustainability reporting. Cooperation protocols have been signed with numerous universities under the Academy, particularly Istanbul Technical University, Yıldız Technical University, Boğaziçi University, Marmara University, Okan University, Bahçeşehir University, TED University, and Middle East Technical University, creating an interdisciplinary learning and impact ecosystem in the field of sustainable development.

As of 2025, the Sustainable Development Academy significantly expanded its activities, reaching a wide area of impact through training and workshop programs directed at university students, academics, bank employees, sector representatives, and various stakeholder groups.

In sustainability training sessions held for students of Okan University, modules such as the dimensions and management of sustainability, greenhouse gases and climate change, carbon and water footprint concepts, social impact assessment, and corporate social responsibility were addressed comprehensively.

At workshops organized in cooperation with the Participation Banks Association of Türkiye, environmental and social risk assessment processes were conveyed through applied case studies, while internal training programs on women's empowerment, sustainable finance, and ESG awareness were also expanded.

The Academy also took an active role in multi-stakeholder projects aimed at strengthening young people's competencies in sustainability, through initiatives such as the Digital Development Academy program, the Green Taxonomy Working Group, sustainability and circular economy summits, and Marmara Impaction.

In addition to all these projects, requests, demands, cooperation proposals, and knowledge-sharing requests received from stakeholders were evaluated, with no stakeholder left unanswered – an approach reflecting the mindset of Development Banking toward all its stakeholders in support of the sector's growth.

Under the program, over 50 participants were reached in 2024, with this number rising to over 1,000 in 2025; for 2026, the goal is to reach over 2,500 participants. The impact created by the Academy, combined with the Bank's strong institutional approach to sustainability, integrated reporting, and environmental-social impact management efforts, has also been recognized with various awards at both the national and international level.

SUSTAINABLE DEVELOPMENT ACADEMY

Outstanding performance in technical assistance

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In 2025, TKYB's sustainability and impact management approach achieved significant recognition both nationally and internationally.

Partnerships

Under the Sustainable Eurobond issued by our Bank in cooperation with the French Development Agency (AFD), the "Gender Equality Technical Assistance Program" was launched in 2023.

Through this program, a holistic strategy was defined for application in the Bank's internal practices and its operations with clients, and a system was established in the impact assessment processes of TKYB-financed projects, aligned with Gender Equality Analysis and the OECD Development Assistance Committee classification, aiming to give the concept of equality a more prominent structure within the Bank's activities and to lead by example on reducing inequalities by conveying this to its stakeholders.

The Bank defined a detailed analysis and action plan regarding internal and external practices for women's empowerment, executing these actions with the support of the Frankfurt School of Finance & Management as Technical Assistance Advisor. As a development bank dedicated to sustainable finance, TKYB is deepening its commitments to women's empowerment and has sought support in this area under the AFD-financed Technical Assistance.

While financing SDG-focused investments is already a strong pathway of support, the dedicated Technical Assistance has enabled TKYB to operationalize a holistic gender strategy across both its internal practices and its client operations, and to implement a project assessment system aligned with the OECD Development Assistance Committee's gender-impact classification. The Technical Assistance process concluded successfully ahead of schedule in January 2026, standing out as an example of good practice.

A brief summary of the key points from the work carried out is set out below:

- Capacity-building activities carried out under the AFD Technical Assistance Program continued in 2025; training on women's empowerment, inclusion, and awareness, as well as digital training content, was prepared for TKYB employees. Webinars, client training, and employee training held during the year addressed topics such as women's economic and social empowerment, inclusive working life, and unconscious bias. In addition, digital training content for the Bank's own employees was completed, and a digital platform infrastructure was established for employee access.
- The Bank continued to strengthen its institutional commitments to women's empowerment throughout 2025. TKYB signed the United Nations Women's Empowerment Principles (WEPs), participated in UNGC Türkiye programs, and shared its work on increasing women's participation in economic life on international platforms. In addition, an Anti-Harassment Policy was published, discrimination and equal opportunity issues were regularly addressed on the Ethics Committee's agenda, and new practices were developed to support female employees.
- In 2025, TKYB's sustainability and impact management approach achieved significant recognition both nationally and internationally. The Bank won the "Best Corporate Governance Award" under the DAC Marker Application at the UN Global Compact Partnership for Sustainability Awards; it was awarded the Gold Award in the Diversity, Equity and Inclusion category at the Turkish Corporate Social Responsibility Association Awards under the OECD Gender Equality Measurement framework. In addition, TKYB ranked 30th globally on the "World's Best Companies for Sustainable Growth 2026" list prepared by TIME & Statista, **becoming the highest-scoring bank in the Turkish banking sector.**



SUSTAINABLE DEVELOPMENT ACADEMY

Global alignment and leadership in impact management

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As of the end of 2025, SDG 5's contribution within TKYB's portfolio's contribution to the Sustainable Development Goals stood at 15.6%.

- Through the 2024 Impact Report published in 2025, the Bank also shared its environmental and social impact management approach with the public in line with international standards, disclosing that 96% of its loan portfolio consists of sustainability-themed loans. In addition, in line with its approach of addressing biodiversity and social issues together, TKYB became the first bank to become a TNFD adopter, with the share of its portfolio contributing to the Sustainable Development Goals calculated at 94%.
- In 2025, TKYB's Environmental and Social Policy and Procedure were revised to integrate elements of women's empowerment across the entire credit assessment process. The OECD DAC Gender Marker approach was incorporated into the E&S assessment system; project-based gender analyses, scoring, project-specific KPIs, and monitoring mechanisms became an integral part of the credit assessment process.
- TKYB continued its reporting work under the United Nations Women's Empowerment Principles (WEPs) throughout 2025.
- TKYB joined the FiCS Gender Equality Coalition, which aims to increase cooperation on women's empowerment among international development finance institutions.
- As of the end of 2025, SDG 5's contribution within TKYB's portfolio's contribution to the Sustainable Development Goals stood at 15.6%. As of the end of 2025, the portfolio's contribution to SDG 10 was calculated at 4.63%.

As a result of the work carried out under the AFD Technical Assistance Program, TKYB has become one of the pioneering development banks that treats women's empowerment not merely as a compliance issue but as one of the core components of its sustainable development and impact management approach.

Under the Technical Assistance, a tool was developed to help the Bank report in alignment with the OECD DAC Gender Equality Policy Marker. In 2019, the OECD published the "Development Finance for Gender Equality and Women's Empowerment" document for Official Development Assistance (ODA) allocated by OECD members; this document makes a significant contribution to financing gender equality and women's empowerment in developing countries. This Policy Marker, the most widely used among international fund providers, serves as a guiding reference for the sector.

Having integrated the developed analysis process into its Environmental and Social Impact Assessment process, TKYB carried out detailed gender equality analysis and DAC Gender Marker application for projects subjected to environmental and social impact assessment in 2025; in this context, 49 projects were assessed in detail. The resulting score table is as follows:

Number of projects with OECD DAC Scoring	2024	2025
DAC 0 (Not Targeted)	0	0
DAC 1 (Significant Level)	27	49
DAC 2 (Principal Level)	0	0

- **DAC 2:** Principal Level – A project is rated "DAC 2" if the gender dimension is systematically integrated at every stage of the process — from problem identification to solution design; implementation methodology and approach; stakeholder analysis; definition of goals, outcomes, outputs, and activities; formation of the implementation and management team; budgeting, monitoring, and evaluation processes; and policy dialogue. The primary objective of projects under this category is to reduce gender inequalities.
- **DAC 1:** Significant Level – A project is rated "DAC 1" if it reflects how gender considerations and dynamics may influence programming. Gender considerations are incorporated into specific activities or particular points in the program's life cycle; while reducing gender inequalities is not the main/overall objective, it is a significant and priority objective.
- **DAC 0:** Not Targeted Level – A project is rated "DAC 0" if, when assessed against the marker, it does not identify existing gender differences and dynamics (power relations between men and women), or how these differences and dynamics affect the women and men involved in or benefiting from the project.

FINANCIAL CAPITAL

Resilient growth performance in the global economy



GLOBAL DEVELOPMENTS AND ECONOMIC OUTLOOK

As of 2025, the global economic outlook followed a relatively resilient course despite rising trade policy uncertainties, geopolitical tensions, and increasingly pronounced growth divergence between countries. In the first part of the year, developments related to customs tariffs put pressure on supply chains and investment decisions; in the second half of the year, progress made in trade negotiations and the generally supportive stance of financial conditions partially limited the downside risks to global growth. As a result, the global economy recorded growth of 3.4% in 2025.

According to the **IMF's January 2026 World Economic Outlook** Update, global growth is expected to reach 3.3% in 2026 and 3.2% in 2027. While this outlook indicates that headline growth rates remain stable, growth shows notable differences across countries, sectors, and regions. Technology- and AI-related investments continue to support growth particularly in North America and Asia, while shifts in trade policy, weak external demand, and structural challenges limit the growth outlook in many economies.

Year	Global Growth Rate (%)	Advanced Economies Growth Rate (%)	Emerging Market Economies Growth Rate (%)	Global Trade Volume (% change)	Oil Prices (USD/Barrel) (% change)	Global Inflation (%)
2025*	3.4	1.9	4.4	5.1	-14.4	4.1
2026T	3.3	1.8	4.2	2.6	-8.5	3.8
2027T	3.2	1.7	4.1	3.1	0.1	3.4

Source: International Monetary Fund (IMF) World Economic Outlook Report – January

*International Monetary Fund (IMF) World Economic Outlook Report – April

- The U.S. economy demonstrated resilient performance in 2025, supported by strong domestic demand, technology investments, and favorable financial conditions. Having grown 2.1% in 2025, the U.S. economy is projected by the IMF to grow 2.4% in 2026. However, the delayed price pass-through effects of tariffs, tightening labor supply, and strong demand conditions suggest that the return of inflation to target may be more gradual compared to other major economies.
- The growth outlook in the Eurozone remained more limited. Growth, which stood at 1.4% in 2025, is expected to slow to 1.3% in 2026. Economic activity in the region reflects a negative outlook due to weak industrial output, the lingering effects of past increases in energy prices, and structural competitiveness challenges; the region's more limited benefit from the technology-driven investment momentum compared to the United States also contributes to this outlook.
- The Chinese economy recorded growth of 5.0% in 2025. While weak domestic demand stemming from the real estate sector and structural challenges continue to weigh on growth, fiscal stimulus measures implemented by the government, resilient export performance, and investment channels helped sustain a solid growth trajectory. The Chinese economy is expected to grow 4.5% in 2026 and 4.0% in 2027.
- The Indian economy maintained its strong growth performance, expanding 7.3% in 2025. Strong domestic demand, investment momentum, and vibrancy in the services sector have made India one of the key drivers of global growth. However, as temporary and cyclical supportive factors fade, growth is expected to moderate toward 6.4% in both 2026 and 2027.

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The U.S. economy demonstrated resilient performance in 2025, supported by strong domestic demand, technology investments, and favorable financial conditions.

3.4%

Global economic growth in 2025

FINANCIAL CAPITAL

Growth driven by artificial intelligence investments

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**Global financial
conditions were generally
supportive in 2025.**

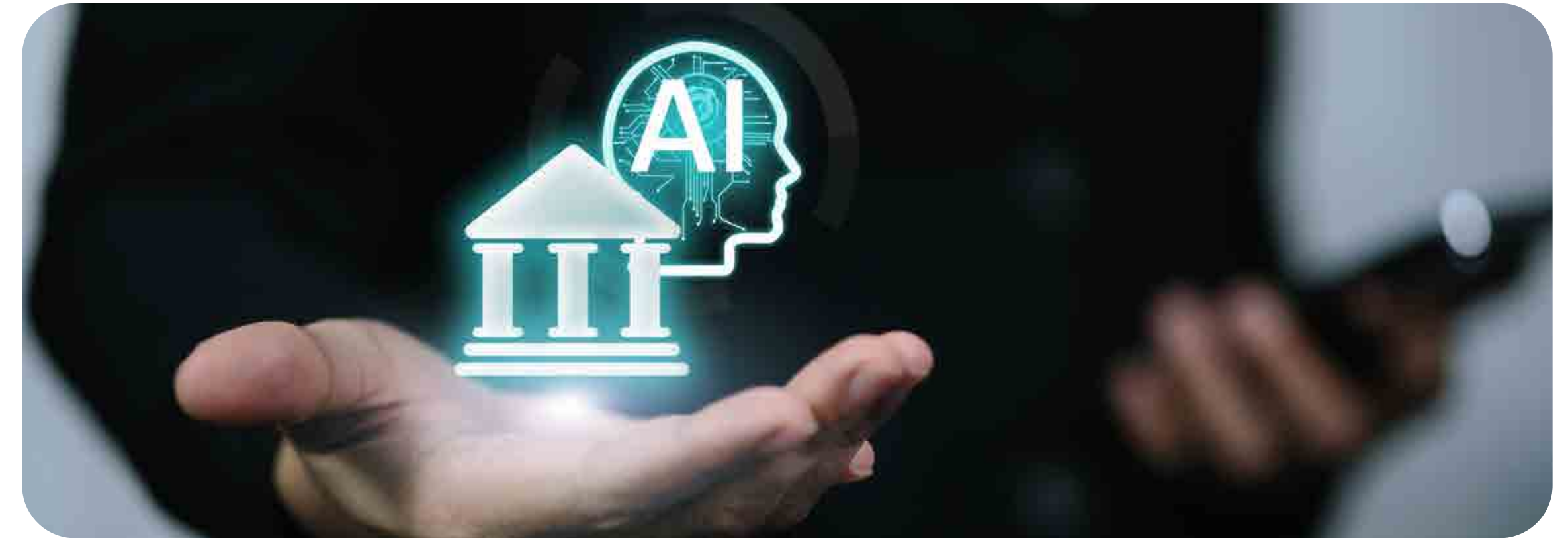
5.1%

**Global trade volume of goods
and services in 2025**

A gradual improvement trend stands out in the global inflation outlook. According to IMF projections, global headline inflation is expected to decline from 4.1% in 2025 to 3.8% in 2026 and 3.4% in 2027. While the moderate trajectory of energy prices and slowing demand conditions support the disinflation process, differences across countries persist. Although the convergence of inflation toward targets in advanced economies is generally continuing, upside risks remain — particularly in the United States — due to tariffs, service prices, and inflation expectations.

Global financial conditions were generally supportive in 2025. Expectations of monetary policy easing, strong performance in equity markets, and credit spreads remaining at historically low levels supported financing conditions. However, the increasing concentration of AI- and technology-related valuations within an increasingly narrow group of companies is among the factors adding to fragility in financial markets. In addition, high public debt, rising pressure on long-term interest rates, and a growing tendency in some countries toward short-term borrowing stand out as issues requiring close monitoring from a financial stability perspective.

In 2025, global trade volume was negatively affected by tariffs and policy uncertainty in the early part of the year, but showed a relatively resilient performance thanks to strong growth in technology-related exports. Global goods and services trade volume, which grew 5.1% in 2025, is expected — according to IMF projections — to slow to 2.6% in 2026, due to front-loaded import demand and a reorientation of trade flows. Trade volume growth is projected to rise to 3.1% in 2027.



Geopolitical risks continued to be among the most significant sources of uncertainty for the global outlook in 2025. The potential effects that tensions originating in the Middle East, Ukraine, and Asia could have on energy supply, shipping routes, commodity prices, and global supply chains are supporting a cautious stance in markets. In addition, rising trade protectionism, export controls on critical inputs, and a more interventionist approach to industrial policy adopted by countries are placing pressure on global production and investment decisions.

In this environment, the risks to the medium-term growth outlook are assessed as being tilted to the downside. Global growth becoming increasingly dependent on a narrower group of sectors — particularly AI and technology investments — is increasing the fragility of growth. Should AI-driven productivity gains fall short of expectations, risks could emerge in the form of a slowdown in technology investment, a correction in

financial asset prices, and tightening global financial conditions. Conversely, should AI investments translate into productivity gains and the technological transformation spread to a broader range of sectors, there appears to be potential for global growth to strengthen over the medium term.

On the economic policy front, countries' priority agenda appears to center on preserving price stability, rebuilding fiscal buffers, strengthening public debt sustainability, and accelerating structural reforms. While gradual interest rate cuts may come onto the agenda in economies where inflation is converging toward target, maintaining a cautious, data-dependent approach to monetary policy remains important in countries where inflation continues to run above target. On the fiscal policy side, increasing spending efficiency, favoring targeted support mechanisms, and avoiding broad-based subsidies are of critical importance for sustainable growth.

FINANCIAL CAPITAL

Balanced growth shaping the future

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The Turkish economy achieved notable gains in 2025 in terms of rebalancing the composition of demand, disinflation, and improvement in the external balance.

3.6%

Growth of the Turkish economy in 2025

Overall, 2025 was a period in which the global economy displayed a resilient yet fragile outlook. While global growth appears stable, the sources of that growth diverge markedly across countries and sectors. Going forward, reducing uncertainty in trade policy, containing geopolitical risks, preserving financial stability, and converting technology investments into productivity gains will be decisive factors in steering the global economy toward a sustainable growth path.

DEVELOPMENTS IN TÜRKİYE

In 2025, the Turkish economy demonstrated resilient growth performance despite rising uncertainties in the global environment, weakening external demand conditions, and periodically increasing volatility in financial markets. The rebalancing process in the economy continued, supported by the tight monetary policy, fiscal discipline, and macroprudential measures implemented. During this period, the disinflation process was supported by the moderate course of domestic demand alongside the increasing contribution of net exports and investments.

The Turkish economy grew 3.6% in 2025, extending its uninterrupted growth streak to 22 consecutive quarters. Economic activity thus displayed a resilient outlook despite tight financial conditions. According to the IMF's January 2026 World Economic Outlook Report, the Turkish economy is projected to grow 4.2% in 2026 and 4.1% in 2027. This outlook indicates that Türkiye's growth performance continues to remain strong relative to many emerging economies.

The fight against inflation remained the core priority of economic policy in 2025. Annual inflation, which ended 2024 at 44.4%, declined to 30.9% by the end of 2025, supported by the tight policy mix implemented, the rebalancing of domestic demand, and improving

expectations. The improvement observed in the underlying trend of inflation and the normalization of pricing behavior indicated that the disinflation process was gaining momentum. In line with these developments, the CBRT (Central Bank of the Republic of Türkiye) entered a cautious normalization process in monetary policy, lowering the policy rate from 50% to 38% by the end of 2025.

The current account balance maintained a favorable outlook in 2025. The rebalancing of domestic demand, the moderate course of import demand, the strong performance of services revenues, and the supportive outlook for energy prices contributed to keeping the current account deficit at sustainable levels. The current account deficit remaining low as a share of national income reduced the Turkish economy's external vulnerabilities, while the improvement in the country risk premium facilitated access to external financing and

supported a decline in borrowing costs. Accordingly, rising confidence, improving expectations, and the recovery in external resource inflows were among the core factors supporting Türkiye's macro-financial outlook.

Overall, the Turkish economy achieved notable gains in 2025 in terms of rebalancing the composition of demand, disinflation, and improvement in the external balance. Going forward, the steadfast continuation of the current macroeconomic program, strengthening fiscal discipline, durably improving inflation expectations, and supporting productive investments will be decisive for the quality of growth. With the gradual normalization of financial conditions, improvement in external financing opportunities, and the contribution of sectoral transformation investments, the Turkish economy is expected to progress toward a more balanced, efficiency-focused, and sustainable growth path in 2026.

Indicator	2025	2026F	2027F
Growth Rate (%)	3.6	3.8	4.3
Foreign Trade Balance (USD Billion)	-92.0	-96.0	-99.0
Current Account Balance (USD Billion)	-30.2	-22.3	-20.5
Current Account Balance/GDP (%)	-1.9	-1.3	-1.2
Travel Revenues (USD Billion)	60.0	61.8	64.5
Change in Consumer Prices (%)	30.9	16.0	9.0
Unemployment Rate (%)	7.9	8.4	8.2

Source: Medium-Term Program 2026–2028

HUMAN CAPITAL

A culture that values diversity

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TKYB also stands out for its practices aimed at strengthening employee engagement, earning the Great Place to Work® certification as of 2025.

50%

2025 senior-level female representation rate

TKYB regards human capital as one of the core elements of institutional success, treating the continuous development of employees' knowledge, skills, and competencies as a strategic priority. The Bank adopts a people-centered management approach based on the understanding that sustainable growth is only possible with a qualified and motivated workforce.

Accordingly, practices supporting employees' professional and personal development are implemented, alongside policies that strengthen corporate culture and increase employee engagement. TKYB aims to offer its employees not only a performance-focused but also a development-focused working environment.

As of 2025, the total number of employees at the Bank reached 401. Within this structure, efforts to develop human resources in alignment with sustainability strategies continue steadfastly.

The ratio of female employees stood at **41.15%**, while the ratio of male employees stood at **58.85%**. Through its activities, the Bank contributes to economic and social development by creating both direct and indirect employment effects. In this context, investments in employee satisfaction, development, and diversity continue.

TKYB also stands out for its practices aimed at strengthening employee engagement, earning the Great Place to Work® certification as of 2025. In addition, by being included on the Türkiye's Best Employers list and the GPTW Social Responsibility & Volunteering lists, the Bank has reinforced its people-centered management approach.

DIVERSITY AND INCLUSION

TKYB shapes its human resources practices in line with the principles of equal opportunity and inclusion, aiming to provide a fair and supportive working environment for all employees. Within this approach, equal opportunities are provided regardless of language, religion, race, gender, and similar factors, with employees' individual differences recognized as a value.

The Bank's diversity and inclusion policy has been developed in line with international standards and good practices. In this context, the Bank acts in accordance with the principles of the International Labour Organization (ILO) and the Sustainable Development Goals (particularly SDG 5: Gender Equality).

At the end of 2025, the ratio of female employees stood at **41.15%**, with the share of female employees within total employment strongly maintained. The representation of women in senior management stood at **50%**, an important indicator of the Bank's inclusive management approach.

Bringing young talent into the institution is also among the Bank's priorities. In this context, the average employee age is 30; operating from offices in Ankara and Istanbul, the Bank brings together experienced professionals and young talent to build a dynamic and balanced workforce structure.

TKYB does not limit inclusion to its internal practices but extends it to its supply chain as well. Under its supplier code of conduct, working conditions, wage policies, and human rights standards are clearly defined, with compliance with these principles ensured through contracts.



EMPLOYEE DEVELOPMENT AND WELL-BEING

TKYB regards developing employees' competencies and supporting their career journeys as a core responsibility. Accordingly, practices designed to unlock employees' potential are implemented starting from the recruitment process, with human resources management carried out in line with the principles of merit and equal opportunity.

Importance is given to the employment of young talent; special programs are developed for new graduates and young professionals to bring them into the institution. In addition, training, mentoring, and internal mobility opportunities are offered to support employees' career development.

Benefits and social support mechanisms have also been strengthened as part of efforts to enhance employee well-being. Employees' quality of life is supported through private health insurance, life insurance, and various social benefits.

HUMAN CAPITAL

Training management that drives development

“

Development and Investment Bank of Türkiye continued to pursue its training and development activities aimed at enhancing employees' knowledge and competencies systematically in 2025 as well.

48.80

hours

Average training hours per person in 2025

Regular feedback mechanisms are operated to increase employee engagement and satisfaction, with areas for improvement identified based on employee input. Internal engagement is strengthened through onboarding programs, internal communication activities, and motivation-enhancing practices.

As of 2025, the employee turnover rate stood at 9.62%, a level consistent with the previous year.

Areas for improvement are identified and action plans implemented based on the results of the Great Place to Work® survey, conducted regularly to measure employee satisfaction. The GPTW methodology measures employee experience based on criteria such as trust, respect, fairness, pride, and camaraderie, and TKYB continues to offer a working environment aligned with these standards.

CAREER AND PERFORMANCE MANAGEMENT

Development and Investment Bank of Türkiye has adopted a comprehensive training approach in line with its Training Management Procedure to support employees' individual and professional development. This procedure aims to promote organizational development in line with the Bank's strategic goals and policies, laying the groundwork for building a continuous learning culture that encompasses all employees.

Under this procedure, the Bank systematically carries out processes such as determining core principles for training, identifying needs, planning, implementing, evaluating, and maintaining records. The year-end planning process is shaped by the input and requests of all managers; unit-specific professional and technical training needs are identified through feedback received

from relevant unit heads. Development programs prepared accordingly are designed and implemented by Human Resources, with training delivered in line with needs analyses updated through periodic interviews.

The Bank conducts regular reporting in parallel with annual training planning, tracks budgets accordingly, and takes necessary actions. In addition, feedback and comments are collected from employees through training evaluation surveys to measure training effectiveness.

Most training was delivered in online and classroom formats. Mandatory training accessible to all employees was delivered and completed through the online training platform. In addition, memberships were obtained on various internationally recognized online training platforms, providing training content tailored to units' specific needs.

In 2025, a total of **220** different training topics were delivered to support employee development, with average training hours per person reaching 48.8 hours. Training programs cover multi-dimensional areas such as technical development, leadership, foreign languages, and sustainability.

Development and Investment Bank of Türkiye continued to pursue its training and development activities aimed at enhancing employees' knowledge and competencies systematically in 2025 as well.

Under the MT Program, aimed at bringing new graduates into the sector, a comprehensive training process of approximately four months, consisting of technical and personal development training, was carried out for 14 employees who began working as assistant specialists. A total of 147 hours of training was successfully completed across two groups launched in

2025; the training process for the second group, which began in October, is planned to be completed in the first quarter of 2026.

Under the Registered Employment Generation Project carried out with the World Bank, a Project Management Professional (PMP®) Certificate Program was organized for relevant employees; the first program was held with the participation of 60 people.

To raise awareness in the field of sustainability, an SDG Impact Standards Training Program covering impact-focused decision-making processes and data-driven analysis approaches was organized, with 12 employees from the sustainability unit participating. In addition, a Turkish Sustainability Reporting Standards (TSRS) Training was organized to contribute to reporting processes for disclosing sustainability data; 11 employees who wished to train in this area of professional expertise and to join the trainer development program were supported.

30 managers participated in the Interview Techniques training, organized to share knowledge and practices that make a difference in recruitment processes. In addition, 21 employees who volunteered to participate in Internal Auditor Training held in the first quarter of 2025 earned the right to be certified as auditors.

A total of 12 seminars open to the participation of all employees were held during the year, aimed at raising employees' awareness and knowledge on various topics. The seminars were held on a monthly basis, with a different theme addressed each month.

Training was offered through the online training platform to raise awareness of sustainability and ESG (Environmental, Social, Governance) topics; introductory AI training was also made available to all employees.

HUMAN CAPITAL

Preparing for the future with the Digital Development Academy

“

TKYB also effectively continues to track mandatory and periodic training required under legal regulations.

Participation in master's and doctoral programs was encouraged to support employee development, with tuition discounts secured under agreements with Türkiye's leading universities and announced to all employees.

To invest in future competencies, the application process for the “Digital Development Academy,” planned for launch in 2026 for university students, was completed at the end of 2025. Under the program, employees' continuous development is encouraged through certification processes supported by manager evaluation and approval mechanisms. In addition, employees' subscriptions to specialized journals are supported in line with unit needs.

The Bank also effectively continues to track mandatory and periodic training required under legal regulations. Necessary coordination and monitoring activities are carried out under Occupational Health and Safety (OHS) legislation, including training programs, OHS committees, near-miss tracking, and activities aimed at preventing workplace accidents.

The Bank carries out employees' development plans in line with annual evaluation processes; training planning is shaped based on feedback received from managers and coordinated by the Human Resources unit. The effectiveness of training is tracked through employee evaluation surveys, supporting a system based on continuous improvement.

Career development is supported through title-based development paths, mandatory and technical certifications, rotation practices, and individual development plans; employee motivation and

engagement are strengthened through a competency-based promotion system. Operating from offices in Istanbul and Ankara, the Bank bases its recruitment and promotion processes on a merit-based approach, making decisions based on experience, performance, competency assessments, and interviews. Performance evaluation systems are also structured according to these fair and objective criteria. This structure ensures that employees are supported and guided not only in their current roles but also in areas where they can develop according to their potential.

A SAFE AND HEALTHY WORK ENVIRONMENT

Development and Investment Bank of Türkiye addresses quality, environmental, and occupational health and safety areas within a holistic framework under its Integrated Management System, adopting a risk-based management approach. The Bank aims to identify potential risks arising across all of its operational activities at an early stage, manage these risks systematically, and protect employee health and safety at the highest level while minimizing environmental impacts.

Accordingly, preventive and corrective practices aimed at ensuring employee health and safety are implemented, with regular training and awareness activities carried out to strengthen occupational health and safety culture at the institutional level. All business processes are systematically audited to ensure that risks can be continuously monitored.

All new employees are included in basic occupational health and safety training following orientation programs conducted by authorized units.



Employees' suitability for their roles is assessed through health examinations conducted at the point of hire; occupational health and safety risk analyses are carried out at regular intervals from the start of employment. This structure ensures both employees' physical fitness and their ability to operate in a safe working environment.

HUMAN CAPITAL

Safe, holistic, and inclusive occupational health and safety

“

Employee input is incorporated into the process to continuously improve occupational health and safety practices, with a participatory management approach adopted.

1,712 hours

OHS training provided in 2025

In 2025, **1,712 hours of OHS training** were provided.

The Occupational Health and Safety Committee consists of a workplace physician, an occupational health and safety specialist, and six bank employees, and operates under the chairmanship of the Head of the Human Resources Management Unit. The Committee's work is reported directly to the Deputy General Manager; identified risks and developed solution proposals are evaluated through regular meetings and shared with employees.

Employees' health status is regularly monitored, with medical support provided when needed. In addition to physical risks such as slips, falls, and ergonomic strain, psychosocial risks such as stress, workload, and burnout are also addressed through a holistic approach, with supportive services provided in these areas. Employees' awareness of risk recognition, use of personal protective equipment, and emergency preparedness is increased through regular training.

In addition, necessary personal protective equipment is provided to enable employees to carry out their duties safely, with practices promoted for the correct use of this equipment. The Bank develops procedures for fire, evacuation, and other emergencies, providing employees with regular training on the steps to be followed in such situations. Employee input is incorporated into the process to continuously improve occupational health and safety practices, with a participatory management approach adopted. Development and Investment Bank of Türkiye's occupational health and safety practices were structured throughout 2025 around the core headings summarized below:

Strategy and Management System

During the year, the Bank completed its Integrated Management System audit with zero nonconformities,

continuing to monitor its occupational health and safety performance regularly and systematically. The Occupational Health and Safety Committee consists of a workplace physician, an OHS specialist, and six bank employees, and operates under the chairmanship of the Head of the Human Resources Management Unit. The Committee meets periodically to identify potential risks, develop solution proposals, and share decisions taken with employees.

Training and Awareness

All new employees receive basic occupational health and safety training as part of the orientation process. In 2025, a total of 1,712 hours of occupational health and safety training were provided to female and male employees. Training programs cover topics such as identifying potential risks, emergency procedures, and correct use of personal protective equipment. In addition, drills for fire, evacuation, and crisis scenarios were conducted, developing employees' crisis management competencies. In addition, 16 of our employees completed the Turkish Red Crescent's First Aid Training in 2025, successfully passing the theoretical and practical exams organized by the Ministry of Health and earning first-aid certification.

Physical and Psychosocial Health

The most common occupational risks include slips, falls, and ergonomic issues associated with prolonged computer use. During the 2025 reporting period, no fatal or severely injurious workplace accidents occurred; a total of one workplace accident was recorded.

Occupational health and safety performance indicators were calculated based on total working hours. Total working hours were calculated as the product of the number of employees, annual working days, and daily working hours, amounting to 902,250 hours during the reporting period (401 employees × 250 working days × 9 hours).

Accordingly, the Injury Rate (IR), calculated using the formula (Number of Incidents × 200,000) / Total Working Hours, was 0.22; the Lost Day Rate (LDR), calculated using the formula (Total Lost Days × 1,000,000) / Total Working Hours, was 2.22.

The Bank does not limit employee health to the dimension of physical safety alone but adopts a holistic approach encompassing mental well-being. Psychosocial support mechanisms have been established against risks such as workload, ergonomics, and emotional burnout.

In this context, a corporate agreement has been established with the Terapinn application, enabling all employees to access psychotherapy, dietitian, and physiotherapy services free of charge through the app whenever needed. The support services offered through this application aim to strengthen employees' mental and physical well-being, contributing to work-life balance and a sustainable working environment.

Continuous Improvement and Participation

Employee participation is adopted as a core principle in developing occupational health and safety processes. Employees can report potential hazards anonymously or by name; reports are quickly evaluated by the OHS team, and necessary preventive measures are implemented. This approach contributes to strengthening a safe working culture and employees' active participation in the process.

Supply Chain and Health Services

The Bank does not limit compliance with occupational health and safety standards to its own activities but also requires the application of these standards in its relationships with suppliers and business partners. Under the Supplier Code of Conduct, a zero-tolerance policy is applied against practices such as forced labor, child labor, and discrimination.

NATURAL CAPITAL

Committed steps toward the 2053 net-zero target

“

As of 2025, all of the Bank’s electricity consumption was covered by International Renewable Energy Certificates (I-REC).

96%

Share of the 2025 loan portfolio aligned with environmental and social sustainability principles

ENERGY AND EMISSIONS MANAGEMENT

In line with its sustainability goals, TKYB adopts a systematic approach to monitor, reduce, and manage greenhouse gas emissions arising from its operational activities. Through the environmental management infrastructure established in this context, energy consumption and emissions data are regularly tracked and analyzed.

The Bank builds its greenhouse gas inventory in compliance with the ISO 14001 Environmental Management System and the GHG Protocol, regularly monitoring Scope 1, Scope 2, and Scope 3 emissions. Energy and resource use are continuously assessed through the core performance indicators determined accordingly.

Key indicators monitored include greenhouse gas emission intensity, electricity and natural gas consumption, water use, paper consumption, and waste management. In addition, financing-related indicators are also tracked, such as installed capacity provided through renewable energy projects, contribution to Türkiye’s overall renewable energy capacity, and the share of sustainability-themed loans within the total portfolio.

As of 2025, the Bank’s total greenhouse gas emissions (Scope 1+2+3) amounted to 1,631,491.38 tons CO₂e, with emission intensity measured at 3.24 tons CO₂e per employee.

Energy Efficiency and Emission Reduction

TKYB continuously develops its practices aimed at reducing energy consumption, focusing on improving its performance in this area. Electricity, natural gas, and fuel consumption are tracked in detail, with comparative analyses conducted against previous years to identify areas for improvement.

As of 2025, all of the Bank’s electricity consumption was covered by International Renewable Energy Certificates (I-REC). In addition, various measures aimed at increasing energy efficiency within office practices have been implemented. In this context, the use of sensors in lighting systems has been expanded, unnecessary energy consumption has been prevented, and savings practices related to device use have been introduced.

Regular training is conducted to raise employees’ environmental awareness, with environmental training incorporated into orientation programs under the environmental management system. In addition, seminars and workshops on energy efficiency and sustainability are organized to raise awareness levels across the institution.

NET-ZERO ECONOMY

TKYB plays an active role in the transformation process in line with Türkiye’s 2053 net-zero emissions target. The Bank also directs its financing activities to support the transition to a low-carbon economy in line with its own net-zero target set for 2050.

In this context, priority is given to projects within the loan portfolio that meet sustainability criteria; as of 2025, approximately 96% of the portfolio consists of investments aligned with environmental and social sustainability principles.

Through renewable energy projects, a contribution of approximately 7% has been made to Türkiye’s total installed capacity, with these investments supporting the prevention of approximately 3.9 million tons of CO₂ emissions.



The Bank is strengthening its financing strategy in line with its net-zero targets, diversifying its sustainable financing instruments to encourage low-carbon investments. In this context, partnerships with international financial institutions continue, with mechanisms developed for the systematic assessment of environmental impacts.

To ensure its emission reduction targets are grounded in scientific principles, the Bank has aligned with the Science Based Targets initiative’s (SBTi) updated methodology and continues its work in line with the targets set accordingly. Within this framework, the Bank targets a 42% reduction in Scope 1 emissions by 2030, while aiming to neutralize Scope 2 emissions through renewable energy certificates (market-based), maintaining this at 100% in both 2030 and 2050. In addition, the Bank has adopted a target of 100% reduction in Scope 1 and Scope 2 emissions by 2050.

NATURAL CAPITAL

Efficiency– driven resource management in operations

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In line with its zero–
waste approach, TKYB
develops practices for
separating waste at
source, recovery, and
proper disposal.

5,243.38 m³

Total water consumption in 2025

WATER MANAGEMENT

Taking into account the effects of climate change on water resources, TKYB treats water management as an important component of its sustainability strategy. In line with increasing water needs and changing climate conditions, monitoring water consumption and its efficient use has been prioritized.

Water consumption at the headquarters building is regularly monitored, with separate meters used for measurement across different areas of use. Consumption is analyzed based on the data obtained, with conservation-focused practices developed accordingly.

As of 2025, total water consumption amounted to **5,243.38 m³**, with water consumption per employee measured at **13.08 m³/person**. No industrial wastewater is generated as part of the Bank's activities; all wastewater is discharged into the sewage system in compliance with applicable regulations.

Targets have been set for reducing water consumption; accordingly, operational efficiency practices, awareness efforts, and programs encouraging employee participation have been implemented.

WASTE MANAGEMENT

TKYB carries out its waste management activities within the framework of national legislation, aiming to minimize environmental impacts in this area. In line with its zero-waste approach, the Bank develops practices for separating waste at source, recovery, and proper disposal.



Waste generated at the headquarters building is sorted by type; recyclable waste is directed to recovery processes through licensed companies. These processes are recorded and regularly audited in line with the principles of transparency and traceability.

As of 2025, the amounts of waste directed to recovery were as follows:

- Paper/Cardboard: **13,059 kg**
- Plastic: **1,125 kg**
- Metal: **657 kg**
- Glass: **930 kg**

The Bank organizes training programs to raise employees' environmental awareness, carrying out awareness activities aimed at reducing waste and expanding recycling practices.

TKYB continues its efforts in line with the goals of reducing waste generation, increasing resource efficiency, and expanding environmentally friendly practices.

INTELLECTUAL AND MANUFACTURED CAPITAL

Infrastructure minimizing energy consumption

“

Throughout 2025, process development and continuous improvement initiatives within the Information Technology function were carried out in accordance with agile working principles.

DIGITAL TRANSFORMATION AND INNOVATION

Under the Bank's continuing digital transformation efforts, numerous new products and services have been launched, and the open-source, microservice-based core banking application has been completed and rolled out for use across all units.

New products were introduced on the new core banking platform, SKY; grants can now be extended to customers, and a leasing infrastructure has been established.

Within the Core Banking System, a Securities Issuance Module was developed and launched, enabling both the Bank and its customers to buy and sell securities issued by the Bank. By closing down the previously used third-party issuance application, external dependency was reduced and cost savings were achieved.

To make loan pricing more effective, a Funds Transfer Pricing (FTP) and Asset Liability Management (ALM) project was carried out. With the establishment of the FTP and data management infrastructure, management reporting on Interest Rate Risk and Net Interest Income was enabled; work was also carried out to monitor liquidity, interest rate, and exchange rate risks, and to calculate net interest income and equity valuations.

An application was developed and launched to enable customer and Bank IRS (Interest Rate Swap) and CCS (Cross Currency Swap) transactions to be tracked through the Core Banking system.

The "Early Warning Signals Module," which aims to minimize credit repayment risk by detecting early signs of deterioration in customers' financial position, was launched.



Work continued intensively on carrying out business processes through the mobile application; the number of banking processes that can be conducted via mobile has increased, human resources processes requiring mobile signature have been added to the mobile app, and business units are now able to carry out their activities on mobile, independent of time and place.

Through the AI-supported virtual assistant that was launched, Bank employees can quickly and effectively access real-time support for Human Resources, Information Technology, and Support Services processes as needed.

In expense entry processes, operational efficiency was increased through AI-supported reading of receipts and automated data entry.

The centralized reporting infrastructure, fed by all of the Bank's data sources, along with business intelligence and reporting applications, continued to be expanded;

interactive and dynamic decision-support reports were further enhanced in 2025, enabling effective monitoring and reporting. Mobile access to the interactive decision-support reports available on the Bank's BI portal was also enabled, with efforts continuing to increase teams' efficiency in their business processes.

Technological Infrastructure and System Modernization

With a focus on sustainable information technologies, efficiency has been prioritized across all infrastructure technologies, with emphasis placed on AI and cloud technologies.

The Bank adopts the principle of sustainability in data center management and IT operations and prioritizes environmentally friendly technological solutions. In 2025, digitalization and innovation efforts continued at a rapid pace; while products aimed at developing the technological infrastructure were added to the platform, existing solutions

INTELLECTUAL AND MANUFACTURED CAPITAL

Uninterrupted cyber resilience through proactive measures

“

**A security-first approach
was adopted, with additional
security layers integrated into
endpoint systems to enhance
the existing security solutions.**

in use were optimized, and hardening activities were carried out across all systems based on a zero-trust approach. Vulnerabilities and version updates were closely monitored across all infrastructure components, with timely, complete, and accurate actions taken in response to approximately 500 security notifications.

Periodic penetration tests and detailed intrusion tests confirmed that the IT infrastructure complies with relevant standards. As a result of the assessment and testing carried out for SWIFT Customer Security Programme compliance checks, no findings were identified, confirming the compliance of the Bank's infrastructure with SWIFT principles. Global threats and developments will continue to be closely monitored in 2026, with the necessary actions planned accordingly.

Endpoint system security was prioritized; in this context, desktop virtualization solutions were launched and expanded, and user data backup solutions began to be used.

The use of secure cloud technologies was expanded in compliance with BRSA regulations and related requirements. The Bank continued to use private cloud technologies, which offer numerous advantages such as cost, operational efficiency, scalability, high availability, and, most importantly, being at the center of global technology trends; related regulatory developments were closely monitored to track opportunities in community cloud.

AI technologies were closely followed as a key agenda item, and an AI technology infrastructure was established. AI technologies will continue to be closely monitored in 2026, with suitable solutions to be implemented.

INFORMATION SECURITY AND CYBER RESILIENCE

Development and Investment Bank of Türkiye strengthens its information technology infrastructure by integrating AI governance and proactive cybersecurity approaches, maintaining a high level of maturity in information security

through compliance with international standards and regular audit mechanisms. The Bank's information security strategy is structured in alignment with its digital transformation goals, increasing resilience against existing threats while also enabling proactive measures against evolving technology risks. In line with this approach, the aim is to build a secure, flexible, and sustainable digital infrastructure.

Throughout 2025, the Bank took significant steps to increase its institutional resilience against cyber threats. Through regular penetration tests and technical controls conducted in this context, no critical-level security vulnerabilities were identified in the systems; the limited findings identified were quickly resolved. In addition, periodic security tests were conducted throughout the year for all critical applications in use, with potential risks managed at an early stage. As part of compliance with international standards, independent audits were completed in line with SWIFT Customer Security Programme (CSP) requirements; no nonconformities were identified as a result of these audits. In addition, training activities were carried out to enhance the information security competencies of relevant personnel.

The Bank continues to strengthen its data security infrastructure to ensure the secure use of AI applications. In this context, improvements made to the Data Loss Prevention (DLP) system increased controls over content uploaded to platforms, with the sharing of content containing personal data with external systems automatically blocked. Awareness activities were carried out for employees to enable effective management of AI-related risks, ensuring a proper understanding of the legal and operational responsibilities involved in using the technology. Information security teams continue their work on the secure integration of new technologies, continuously developing their competencies in this area.

The Bank continues its international certification processes in the field of information security without interruption. Independent audits conducted under the ISO 27001 Information Security Management System certification were successfully completed, with system maturity strengthened

through a continuous improvement approach. In addition, work on the ISO 27701 Personal Data Management System certification is being effectively carried out.

Compliance has been ensured with relevant legislation, particularly the Cybersecurity Law that entered into force in March 2025; Information Security Management System documentation was updated, and awareness activities were carried out for all employees.

In today's rapidly evolving technological landscape, the human factor is treated as one of the core elements of information security. Accordingly, a multi-layered training program aimed at raising employees' cybersecurity awareness was implemented in 2025. Under the program, training was organized on phishing, social engineering attacks, and AI-supported threat scenarios; through simulations conducted at various difficulty levels, employees' risk perception was measured and targeted development areas identified. In addition, cybersecurity modules were integrated into orientation programs for new employees, and institutional discipline was strengthened through practices such as "Clean Desk-Clean Screen."

The Bank is planning investments to further advance its information security capacity in 2026 and beyond. In this context, the continuity of ISO 27001 and ISO 27701 certification processes will be ensured; the integration of cyberattack simulations and audit platforms with existing systems will be strengthened. In addition, the wider adoption of advanced security solutions such as Database Activity Monitoring (DAM) is targeted; partnerships with member companies of the Türkiye Cybersecurity Cluster are being developed, prioritizing the integration of domestic and national technologies. Development and Investment Bank of Türkiye aims to maintain its leading position in information security by ensuring compliance with all regulations in line with the Republic of Türkiye Ministry of Treasury and Finance, the Presidential Digital Transformation Office, the Information and Communication Security Guide, and the National Cybersecurity Strategy.

SOCIAL CAPITAL

A transparent customer experience built on trust

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The Bank maintains its ISO 10002 Customer Satisfaction Management System certification to ensure the effective management of customer feedback.

9.52

The Bank’s overall score in the Corporate Governance Principles Compliance Rating assessment



CUSTOMER SATISFACTION

Development and Investment Bank of Türkiye bases all of its activities on the principle of customer focus, aiming to continuously improve the quality of the services it provides. Within its investment and development banking activities, customer needs and expectations are addressed in a timely and effective manner, with transparency and accessibility treated as priority elements in credit assessment processes.

The Bank maintains its ISO 10002 Customer Satisfaction Management System certification to ensure the effective management of customer feedback. This system provides a structured framework for handling and evaluating customer complaints and developing preventive and corrective practices. Feedback obtained through the Suggestion and Complaint Form on the

Bank’s website, social media channels, sectoral events, and one-on-one contacts is regularly monitored, with strategic decisions shaped accordingly.

Additionally, the Bank plans to implement AI-supported applications in 2025 to improve the customer experience. We aim to automatically classify customer requests, respond more quickly, and develop tailored solutions to meet specific needs. TKYB treats customer relationships not merely as transaction-based interactions but from the perspective of a long-term business partnership, steadfastly maintaining a trust-based, transparent, and sustainable customer experience.

STAKEHOLDER CAPITALISM AND TRANSPARENCY

In line with its long-term value creation approach, the Bank aims to generate economic, social, and environmental benefit not only for its shareholders but for all stakeholders, including customers, employees, public institutions, regulatory authorities, investors, suppliers, and civil society organizations. Within the framework of stakeholder capitalism, the expectations and feedback of different stakeholder groups are taken into account in decision-making processes.

Sustainability efforts carried out in 2025 were strengthened through multi-channel institutional communication mechanisms that support a participatory governance approach. In this context, the Customer Suggestion and Complaint Form, Ethics Hotline, corporate communication channels, the intranet portal, and ethics email addresses are actively used.

The Bank has made its whistleblowing mechanisms for reporting unethical practices and combating corruption accessible to both employees and external stakeholders.

In line with the principles of transparency and accountability, the Bank continued in 2025 to carry out reporting activities aligned with the UNEP FI Principles for Responsible Banking, GRI Standards, CMB Corporate Governance Principles, and the International Integrated Reporting Framework. Under the Corporate Governance Principles Compliance Rating assessment, the Bank’s overall score was determined to be 9.52. The assessment was carried out under the headings of Shareholders, Public Disclosure and Transparency, Stakeholders, and the Board of Directors. Accordingly, the Shareholders heading received a score of 9.53 with a 25% weight; Public Disclosure and Transparency received 9.84 with a 25% weight; Stakeholders received 9.92 with a 15% weight; and the Board of Directors heading received 9.12 with a 35% weight. These results demonstrate that the Bank maintains a high level of compliance in its corporate governance practices.

STRONG VALUE CHAIN MANAGEMENT

In line with its sustainable development vision, TKYB adopts an approach based on social, environmental, and ethical principles in its supply chain management as well. All processes, from supplier selection to contract management, are carried out under the Supplier Selection Procedure.

The Supplier Code of Conduct covers core topics such as workplace standards, occupational health and safety, fair wages, freedom of association, prevention of forced labor, prohibition of child labor, and prevention of discrimination, harassment, and abuse. As a party to the United Nations Global Compact, the Bank expects its suppliers to respect human rights and adopt fair working conditions.

SOCIAL CAPITAL

Social responsibility rooted in a development vision

“

Development and Investment Bank of Türkiye aims to steadfastly continue its projects aimed at adding value to society and creating sustainable social impact through the voluntary contributions of its employees in the period ahead.

151,500 TRY

Employee contributions to
KAÇUV foundation donation

Throughout 2025, the ratio of procurement from local suppliers was maintained at **90.4%**, with the share of budget allocated to local suppliers maintained at 90.5%. In evaluating suppliers, possession of ISO 9001, ISO 14001, and ISO 45001 certifications is taken into account; suppliers are also expected to provide commitments aligned with the Bank’s environmental and social policy documents.

Procurement processes for high-risk suppliers are subject to the approval of the Deputy General Manager responsible for the relevant business line; all suppliers are screened against international sanctions and embargo lists at least once a year.

SOCIAL RESPONSIBILITY AND CONTRIBUTION

In line with its responsible banking approach and development mission, Development and Investment Bank of Türkiye places employee volunteering at the center of its social responsibility activities, implementing projects centered on social benefit, solidarity, and inclusion through the active participation of its employees. The Bank does not limit itself to generating financial value alone but leverages its institutional experience to contribute to social development, positioning social responsibility work as an integral part of its corporate vision.

Digital transformation efforts carried out within Human Resources processes also support this approach, with practices implemented that increase employee satisfaction, strengthen collaboration, and promote an agile working culture across the institution. Accordingly, digitalization will continue to be one of the core components of the human resources strategy going forward.



The following activities stood out among the social responsibility work carried out in 2025:

- A charity bazaar organized through employee volunteering became an important reflection of the culture of institutional solidarity. Using proceeds from the February event, the Bank delivered 5,306 food packages to those in need in the earthquake-affected provinces of Adıyaman, Hatay, and Kahramanmaraş, thereby providing regional economic support and strengthening social solidarity.
- On Mother’s Day, a donation of TRY 151,500 was made to the KAÇUV Foundation with employee contributions, supporting children’s treatment processes.
- Through the Istanbul Marathon, in which employees participated, TRY 117,401 was raised for the benefit of the Koruncuk Foundation, with the proceeds contributing to girls’ education.

- On the International Day of Persons with Disabilities, volunteer employees visited the Turkish Down Syndrome Association, holding awareness training and organizing various activities for children.
- A book donation event held to mark the Bank’s anniversary aimed to support access to knowledge, with a large-scale donation drive carried out through employee contributions.
- Educational materials consisting of books, puzzles, and coloring sets prepared to raise earthquake awareness were delivered to elementary school students, contributing to children’s disaster awareness and their early learning of safe behaviors.

These activities demonstrate that the Bank treats social responsibility not as a temporary area of activity but as one of the core elements of its development vision. Development and Investment Bank of Türkiye aims to steadfastly continue its projects aimed at adding value to society and creating sustainable social impact through the voluntary contributions of its employees in the period ahead.

CAREER AND PERFORMANCE MANAGEMENT

The foundation of our Bank's governance structure is the Board of Directors, the highest decision-making body. The Board of Directors is responsible for making the Bank's strategic decisions, monitoring management performance, and effectively managing the Bank's economic, environmental, and social impacts. In carrying out these duties, the sub-committees reporting to the Board of Directors also provide important contributions. Information regarding other duties and positions held by Board members is made available to all stakeholders in line with transparency principles, published on TKYB's website, on the Public Disclosure Platform (KAP), and in the Bank's regularly published reports.

- **Dr. Raci Kaya — Chairman of the Board**

- President of the Social Security Institution and Chairman of the Board of Directors
- Appointment Date: November 9, 2020
- Education: Ph.D.
- Work Experience in Banking and Business Administration (Years): 35

*His term as Chairman of the Board of Directors ended on February 6, 2026.

- **Ömer Karademir — Vice Chairman of the Board / Audit Committee Member**

- Director General of Public Finance, Republic of Türkiye Ministry of Treasury and Finance
- Appointment Date: March 25, 2022
- Education: Master's Degree
- Work Experience in Banking and Business Administration (Years): 18

*His Board membership ended on April 22, 2025.

- **İbrahim Halil Öztop — General Manager and Board Member**

- Board Member of Türkiye Investment Initiative, Chairman of the Board of Directors of Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş.
- Date of Appointment: 13.12.2018
- Education: Master's Degree
- Work Experience in Banking and Business Administration (Years): 30

- **Erdal Erdem — Independent Board Member / Chairman of the Audit Committee / Member of the Remuneration Committee**

- Board Member of Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş.
- Date of Appointment: 10.07.2020
- Education: Bachelor's Degree
- Work Experience in Banking and Business Administration (Years): 30

** His membership on the Board of Directors, and his roles as Chairman of the Audit Committee and Member of the Remuneration Committee, ended on April 3, 2026.*

- **Zekeriya Çoştı — Board Member / Vice Chairman of the Corporate Governance Committee**

- Deputy Minister, Republic of Türkiye Ministry of Industry and Technology
- Date of Appointment: 4.08.2023
- Education: Master's Degree
- Work Experience in Banking and Business Administration (Years): 18

- **Kerem Dönmez — Independent Board Member / Chairman of the Corporate Governance Committee / Member of the Audit Committee**

- Director General of International Economic Relations, Republic of Türkiye Ministry of Treasury and Finance, and Board Member of Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş.
- Date of Appointment: 4.08.2023
- Education: Master's Degree
- Work Experience in Banking and Business Administration (Years): 18

- **Zeynep Boğa — Independent Board Member / Chairwoman of the Remuneration Committee / Vice Chairwoman of the Audit Committee**

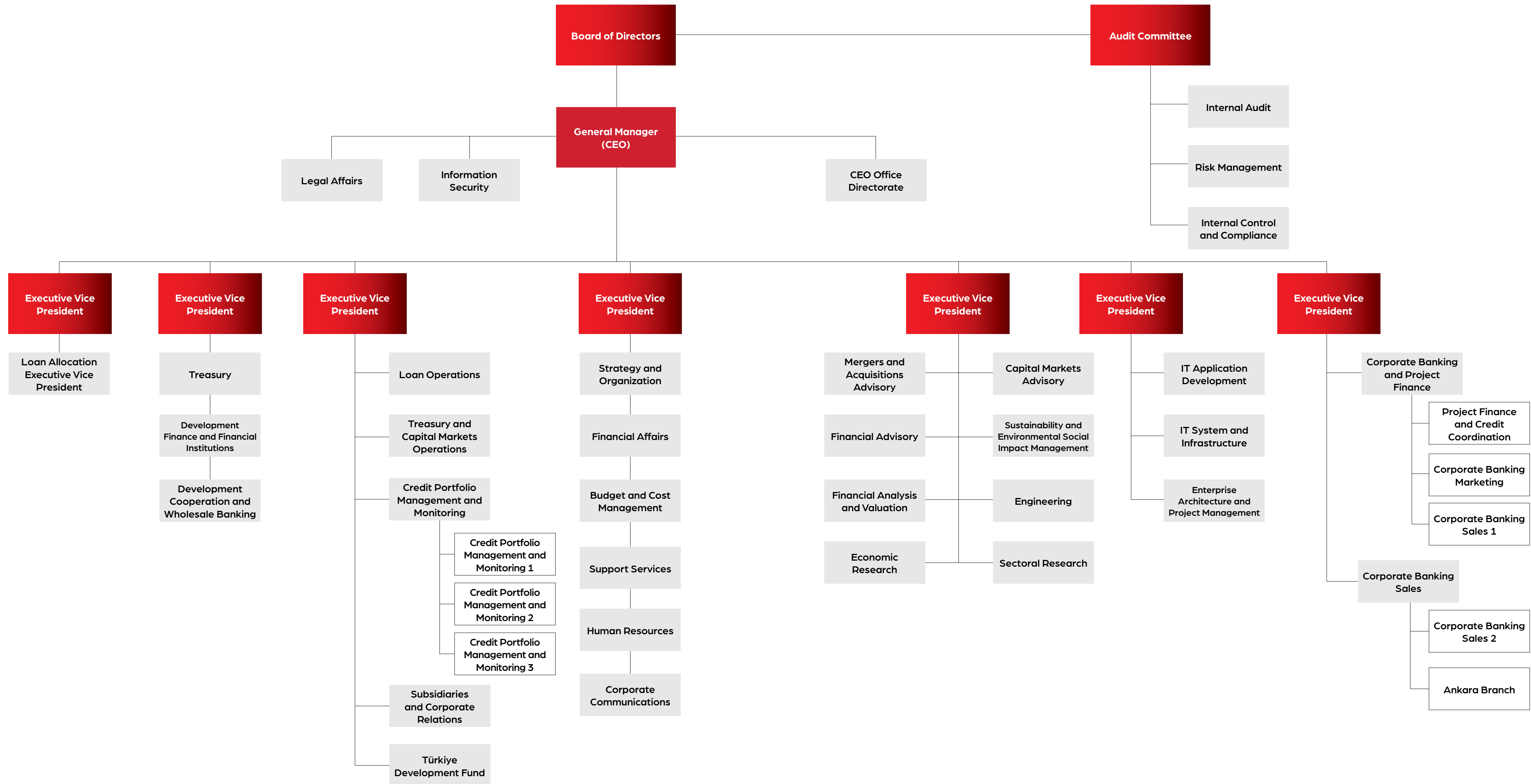
- Deputy Director General of Public Finance, Republic of Türkiye Ministry of Treasury and Finance
- Date of Appointment: 4.08.2023
- Education: Master's Degree
- Work Experience in Banking and Business Administration (Years): 21

- **Halil İbrahim Azal — Vice Chairman of the Board of Directors / Member of the Audit Committee**

- Director General of Public Finance, Republic of Türkiye Ministry of Treasury and Finance
- Date of Appointment: 22.04.2025
- Education: Master's Degree
- Work Experience in Banking and Business Administration (Years): 19



ORGANIZATION CHART



BOARD OF DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS



Bekir Bayrakdar

Chairman of the Board of Directors

Born in Kocaeli in 1971. Mr. Bekir Bayrakdar graduated from the Department of International Relations, Faculty of Political Science, Istanbul University in 1995.

Mr. Bayrakdar served as Assistant Tax Auditor and then Tax Auditor at the Board of Tax Inspectors between 1996 and 2004; as Acting Head of the Revenue Administration Group and Acting Provincial Director of Finance at the Kocaeli Tax Office Directorate between 2004 and 2008; as Deputy Provincial Director of Finance and then Provincial Director of Finance at the Istanbul Tax Office Directorate between 2008 and 2014; as Director General of the General Directorate of Public Accounts between 2014 and 2015; and as Head of the Istanbul Tax Office between 2015 and 2019. He has served as President of the Revenue Administration since 2019, a position he continues to hold.

Mr. Bekir Bayrakdar served as a Board Member of Sakarya Elektrik Dağıtım A.Ş. between 2008 and 2010, of Anadolu Yakası Elektrik Dağıtım A.Ş. between 2010 and 2014, of ADABANK A.Ş. between 2014 and 2019, and of TAKASBANK A.Ş. between 2019 and 2023.

Mr. Bayrakdar holds a Certified Public Accountant (CPA) certificate and an Independent Auditor's license.

Mr. Bekir Bayrakdar has served as a Board Member of ASELSAN since the Extraordinary General Assembly Meeting held on September 22, 2023.

Bayrakdar was elected Chairman of the Board of Directors of Development and Investment Bank of Türkiye as of May 2026.



Halil İbrahim Azal

Vice Chairman of the Board of Directors

Chairman of the Corporate Governance Committee

Member of the Audit Committee

Independent Board Member

Born in Trabzon in 1981, Mr. Halil İbrahim Azal graduated from the Department of Public Finance, Faculty of Political Science, Ankara University in 2003, and completed his master's degree in International Development at Duke University in 2013.

Mr. Azal began his career in 2004 as an Assistant Auditor at the Turkish Court of Accounts (Sayıştay).

As of January 2005, he held positions as Assistant Expert/Expert/Head of Department and Deputy General Manager at the General Directorate of Public Finance of the Undersecretariat of Treasury; as of April 2025, he continues to serve as Director General of Public Finance.

As of April 2025, he also serves as a Board Member of Development and Investment Bank of Türkiye.



İbrahim Halil Öztıp

General Manager and Board Member

Born in Viranşehir in 1969, Mr. Öztıp graduated from the Department of Industrial Engineering, Faculty of Engineering, Middle East Technical University in 1991, and completed a master's degree in Business Administration at Bilkent University.

Mr. İbrahim Halil Öztıp held senior positions in the investment banking business line at Türkiye Sınai Kalkınma Bankası A.Ş., Körfezbank A.Ş., and Garanti Yatırım Menkul Kıymetler A.Ş.

Mr. Öztıp served as Chairman of the Board of the Turkish Capital Markets Association between 2021 and 2024.

Appointed General Manager and Board Member of Development and Investment Bank of Türkiye in August 2018, Mr. Öztıp is a Member of the KOSGEB Executive Committee and a Board Member of the Turkish Investment Initiative.

Mr. İbrahim Halil Öztıp also serves as Chairman of the Board of Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. and as an Auditor Member of the Banks Association of Türkiye.



Zekeriya Çoştı

Board Member

Born in İskilip in 1985, Mr. Çoştı graduated from the Department of Industrial Engineering, Boğaziçi University in 2008. Mr. Zekeriya Çoştı held commercial unit management and strategic planning consultancy positions at institutions such as Turkish Airlines and TRT during his professional career.

In 2018, he was appointed Director of the Project Management Office at the Ministry of Industry and Technology. Within the scope of the National Technology Initiative, he took part in processes and projects aimed at supporting R&D and innovation activities in Türkiye and developing the technology ecosystem.

He undertook the founding director-general role of the General Directorate of National Technology, established in April 2020 to give the National Technology Initiative a stronger place within the institutional structure of the Ministry and the public sector. While continuing in this role, he was appointed Deputy Minister of Industry and Technology on June 22, 2023.

Mr. Çoştı has served as a Board Member of Development and Investment Bank of Türkiye since August 2023.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS



Kerem Dönmez
Independent Board Member
Chairman of the Audit Committee
Vice Chairman of the Corporate Governance Committee

Born in Kuyucak in 1984, Mr. Dönmez graduated from the Department of Business Administration, Middle East Technical University in 2007.

He received a master's degree (MBA) in International Policy from Stanford University in 2019.

Having served as Expert/Head of Department at the Republic of Türkiye Ministry of Treasury and Finance between 2013 and 2022, and as Deputy General Manager from July to November 2022, Mr. Kerem Dönmez currently continues to serve as Director General of International Economic Relations at the Ministry of Treasury and Finance.

Mr. Dönmez, who has served as a Board Member of Development and Investment Bank of Türkiye since August 2023, has also served as a Board Member of Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. since May 2025.



Zeynep Boğa
Independent Board Member
Chairwoman of the Remuneration Committee
Vice Chairwoman of the Audit Committee

Born in Fethiye in 1982, Ms. Boğa graduated from the Department of Business Administration, Faculty of Economics and Administrative Sciences, Hacettepe University in 2004.

She received a master's degree (MBA) in Business Administration from UC Berkeley in the United States in 2012. Ms. Zeynep Boğa began her career in 2004 at the International Capital Markets Department of the General Directorate of Foreign Economic Relations, Republic of Türkiye Ministry of Treasury and Finance.

She served as Head of the International Capital Markets Department between 2014 and 2019.

In 2019, she was appointed Deputy Director General responsible for International Capital Markets within the General Directorate of Borrowing, established under the Ministry in Istanbul.

During her tenure, she managed foreign currency-denominated bond/sukuk issuance transactions across various markets to secure public financing, as well as the country's relations with international credit rating agencies and international portfolio investors.

During this period, the Turkish External Debt Office received "Best Emerging Markets Borrowing Office" awards from global finance publications such as Global Capital, International Finance Review, Euromoney, and EMEA Finance. Also named "Most Effective Emerging Markets Borrowing Office Manager" by similar publications, Ms. Zeynep Boğa currently continues to serve as Deputy Director General of Borrowing at the Republic of Türkiye Ministry of Treasury and Finance.

She has also served as a Board Member of Development and Investment Bank of Türkiye since August 2023.



Abdulkерim Gök
Independent Board Member
Member of the Audit Committee
Member of the Remuneration Committee

Born in Şanlıurfa in 1970, Mr. Gök graduated from the Department of Public Finance, Faculty of Economics and Administrative Sciences, Anadolu University. He completed his master's degree and doctorate in Public Finance at the Faculty of Economics and Administrative Sciences, Marmara University.

Mr. Gök began his career as an Assistant Specialist at Halkbank in 1995. Between 1996 and 2010, he served as a faculty member in the Faculty of Economics and Administrative Sciences at Harran University. During the same period, he also held positions as Vice Dean, Head of Department, Faculty Board Member, and Senate Member.

Between 2011 and 2015, he served as a Member of Parliament for Şanlıurfa in the 24th Term, and undertook duties including membership of the TBMM Planning and Budget Committee, Chairmanship of the Inter-Parliamentary Friendship Group with Malaysia, and Vice Chairmanship of the Committee for the Investigation of Paths to Social Peace and the Evaluation of the Resolution Process. Starting in 2016, he served as an Advisor at the Ministry of Development; from 2018 onward, he served at the Presidential Strategy and Budget Directorate, retiring in March 2023.

Mr. Gök has served as a Board Member of Development and Investment Bank of Türkiye since May 2026.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT



İbrahim H. Öztop

General Manager and Board Member

Born in Viranşehir in 1969, Mr. Öztop graduated from the Department of Industrial Engineering, Faculty of Engineering, Middle East Technical University in 1991, and completed a master's degree in Business Administration at Bilkent University.

Mr. İbrahim Halil Öztop held senior positions in the investment banking business line at Türkiye Sınai Kalkınma Bankası A.Ş., Körfezbank A.Ş., and Garanti Yatırım Menkul Kıymetler A.Ş.

Mr. Öztop served as Chairman of the Board of the Turkish Capital Markets Association between 2021 and 2024.

Appointed General Manager and Board Member of Development and Investment Bank of Türkiye in August 2018, Mr. Öztop is a Member of the KOSGEB Executive Committee and a Board Member of TII – Turkish Investment Initiative.

Mr. İbrahim Halil Öztop also serves as Chairman of the Board of Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. and as an Auditor Member of the Banks Association of Türkiye.



Seçil Kızılkaya Yıldız

Deputy General Manager

Born in Konya in 1973. She graduated from the Department of Business Administration, Faculty of Economics and Administrative Sciences, Boğaziçi University in 1998. Yıldız began her career at Türkiye Sınai ve Kalkınma Bankası A.Ş. in 1998, served as Deputy Manager of Corporate Finance at Oyak Yatırım Menkul Değerler A.Ş. between 2006 and 2007, and as Senior Credit Analyst at the Istanbul Representative Office of Bayerische Hypo- und Vereinsbank AG between 2007 and 2008. She worked as Director of Capital Markets at UniCredit Menkul Değerler A.Ş. between 2008 and 2012, and as Structured Finance Group Manager at ING Bank A.Ş. between 2012 and 2014. Yıldız provided Corporate Finance Advisory services between 2014 and 2016, and served as Founding Managing Partner at FSM Advisory Danışmanlık Ortaklığı between 2016 and 2017. She served as Deputy General Manager at Kuzu Toplu Konut İnşaat A.Ş. between 2017 and 2019. She has served as a Board Member of T.H. Kalkınma Yatırım Menkul Değerler A.Ş. and as a Board Member of Birleşik İpotek Finansmanı A.Ş. She served as a Board Member of Türkiye Development Fund between January 2021 and May 2025. Currently serving as Chairwoman of the Board of Kalkınma Yatırım Varlık Kiralama A.Ş., Yıldız has served as Deputy General Manager responsible for Investment Banking, Financial Analysis and Project Evaluation, and Sustainability units at the Bank since March 2019. Yıldız also currently serves as a Board Member of the Business Council for Sustainable Development Türkiye (SKD Türkiye) and as Vice Chairwoman of the Board of the Impact Investment Advisory Board (EYDK). Since September 2024, she has also served as a Member of the Impact Principles Advisory Board of the Global Impact Investing Network (GIIN), since January 2025 as a Member of the Advisory Board of the Green Development Foundation, and since May 2025 as an Honorary Board Member of the Geothermal Investors Association (JEMYAD). Yıldız is also a Member of the Advisory Board of the Operating Principles for Impact Management (OPIM).



Satı Balcı

Deputy General Manager

Born in Yozgat in 1966. She graduated from the Department of Business Administration, Faculty of Political Science, Ankara University in 1988.

Balcı began her career at Yapı ve Kredi Bankası in 1988 as an Assistant Specialist, and went on to serve as Loan Monitoring and Collection Manager and Head of the Loan Allocation/Assessment Department. She has served as a Board Member of various affiliates of the Bank.

She currently also serves as Liquidation Officer of Kalkınma Menkul Değerler A.Ş. (in liquidation) and as Vice Chairwoman of the Board of Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş.

Ms. Satı Balcı, who has served as Deputy General Manager at the Bank since November 2017, is responsible for the Loan Operations, Treasury and Capital Markets Transactions Operations, Affiliates and Corporate Relations, Türkiye Development Fund, and Loan Monitoring units.



Nuri Yasin Külahçı

Deputy General Manager

He graduated from the Department of Industrial Engineering, Faculty of Engineering, Istanbul University, and subsequently completed a dual master's degree in Finance & Accounting and Business Administration at Yeditepe University.

Mr. Nuri Yasin Külahçı began his career as an Assistant Inspector at the Board of Inspectors of Finansbank A.Ş. in 2003, and went on to work as Senior Consultant at Deloitte and Senior Manager at PwC (PricewaterhouseCoopers), where he successfully managed numerous audit and advisory projects for various institutions operating in the finance sector both in Türkiye and abroad.

Mr. Külahçı joined Development and Investment Bank of Türkiye A.Ş. as Director of Strategy, Organization and Process Management in 2019, and has served as Deputy General Manager responsible for the Strategy, Organization, Financial Affairs, Budget and Cost Management, Human Resources, Corporate Communications, and Support Services units since October 2022.

Mr. Külahçı has also served as a Board Member of Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. since June 2026.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT



Emine Özlem Cinemre **Deputy General Manager**

She graduated from the Department of Business Administration, Faculty of Economics and Administrative Sciences, Boğaziçi University in 1988.

Ms. Cinemre began her career at QNB Finansbank A.Ş. in 1988 as an Assistant Specialist, and served as Foreign Relations Officer between 1989 and 1991, Foreign Relations Unit Manager between 1991 and 1992, Head of the Foreign Relations Group between 1993 and 1997, and Deputy General Manager of Foreign Relations between 1997 and 2018.

Between 2018 and 2019, she served as a Board Member of QNB Finans Leasing, QNB Finans Faktoring, and Hemenal Finansman A.Ş.

Ms. Özlem Cinemre has served as Deputy General Manager responsible for Treasury and Financial Institutions at Development and Investment Bank of Türkiye A.Ş. since June 2019.

Ms. Cinemre also serves as a Board Member of several civil society organizations in Türkiye.



Ali Yunuslar **Deputy General Manager**

He graduated from the Department of Computer Engineering, Middle East Technical University in 1999.

Ali Yunuslar, who completed an MBA at Istanbul Technical University between 2011 and 2012, began his career as a Software Engineer at VestelNet.

Yunuslar subsequently worked as a Software Specialist at VeriPark and Bizitek, before joining Türkiye Sınai Kalkınma Bankası in 2004 as a Senior Software Specialist.

After serving as a manager at Türkiye Sınai Kalkınma Bankası for seven years, he moved to Mastercard Payment Systems as Application Development Director in 2013.

Ali Yunuslar, who founded Mentavision Bilişim Teknolojileri in 2017, joined Development and Investment Bank of Türkiye as Application Development Director in 2019, and was appointed Deputy General Manager responsible for Information Technologies in 2022.

COMMITTEES

The Board of Directors and Senior Management carry out the Bank's operations effectively through a total of 14 committees. These committees operate in accordance with the Bank's internal regulations, holding regular meetings and making decisions in line with legal regulations, current developments, and the Bank's needs. The selection of committee members is also clearly defined in the Bank's internal regulations.

Committees are composed of Board members and Bank staff. Due to both the requirement that independent members serve on committees and the limited number of Board members, Board members serve on more than one committee. Decisions taken by these committees play a critical role in helping the Bank achieve its strategic objectives.

The Bank's organizational structure has been established based on its mission, vision, and values, with duties and responsibilities defined accordingly. In this context, various committees have been established to support the Board of Directors and senior management. Each committee has approved internal regulations, which are reviewed periodically. Committees carry out their duties in compliance with both internal regulations and relevant external regulations.

Committees

- Personal Data Protection (KVK) Committee
- Credit Assessment Committee
- Audit Committee
- Asset Liability Committee
- Corporate Governance Committee
- TFRS 9 Committee
- Remuneration Committee
- Procurement Committee

- Business Continuity and Emergency Management Committee
- Information Sharing Committee
- Information Security Committee
- Sustainability Committee
- Information Systems Strategy and Steering Committee
- Information Systems Continuity Committee
- Human Resources Committee

Asset-Liability Committee

The Asset-Liability Committee was established by decision of the Bank's Board of Directors dated September 8, 2008, No. 213, with the Committee's operating procedures and principles set out in the Asset-Liability Committee Regulation. This regulation was updated to its current form by Board of Directors decision dated October 25, 2022, No. 2022-16-12/246.

The Committee operates to ensure the balanced, effective, and efficient management of the asset and liability items on the Bank's balance sheet. Work in this area is carried out taking into account the Bank's strategic objectives, risk management policies, and market conditions. Key financial indicators such as interest rates, maturity structure, and currency distribution occupy an important place in the Committee's assessment processes.

Operating under the chairmanship of the General Manager, the Committee's members consist of the relevant Deputy General Managers and the Head of the Risk Management Department. In the General Manager's absence, meetings are chaired by the Deputy General Manager responsible for Treasury.

The Committee may invite unit managers or relevant staff to meetings as needed in line with the agenda, enabling a multi-faceted assessment in decision-making processes. However, those invited to meetings in this manner do not have voting rights. During 2025, the Asset-Liability Committee continued its activities, adopting a total of **10** decisions.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Members and Duties of the Asset–Liability Committee

The Asset–Liability Committee is composed of the Bank’s senior executives; the committee members and division of duties are as follows:

- **İbrahim H. Öztop** – Chairman, General Manager / Board Member
- **Özlem Cinemre** – Vice Chairwoman, Deputy General Manager
- **N. Yasin Külahçı** – Member, Deputy General Manager
- **Seçil Kızılkaya Yıldız** – Member, Deputy General Manager
- **Satı Balcı** – Deputy General Manager
- **Ali Yunuslar** – Member, Deputy General Manager
- **Dr. Semra Pek kaya** – Member, Head of the Risk Management Department

Audit Committee

Under Article 24 of Banking Law No. 5411 and the provisions of the Regulation on the Internal Systems of Banks and the Internal Capital Adequacy Assessment Process, the Audit Committee has been established to ensure the effective conduct of audit and oversight activities within the Bank. The Committee operates under the Board of Directors, functioning as an important structure that provides support to the Board.

In accordance with the Board of Directors’ decision dated May 2, 2025, No. 2025–06–02/087, Erdal Erdem, Kerem Dönmez, Halil İbrahim Azal, and Zeynep Boğa were appointed as members of the Audit Committee.

The Committee carries out its duties and responsibilities under the Audit Committee Regulation, which was put into effect by Board of Directors decision dated May 15, 2020, No. 2020–07–06/88.

Under its operating principles, the Audit Committee is required to meet at least four times a year.

During 2025, the Committee held a total of 19 meetings and adopted 52 decisions as a result of these meetings.

Audit Committee Members and Duties

The Audit Committee is composed of members selected from among the Board of Directors; the committee members and division of duties are as follows:

- **Erdal Erdem** – Chairman, Independent Board Member
- **Zeynep Boğa** – Vice Chairwoman, Independent Board Member
- **Halil İbrahim Azal** – Member, Independent Vice Chairman of the Board
- **Kerem Dönmez** – Member, Independent Board Member

Credit Assessment Committee

The Credit Assessment Committee operates to determine, update, and monitor the implementation of principles and procedures related to lending and financial leasing processes, in line with the Bank’s overall strategy and policies. The Committee ensures effective coordination among relevant units regarding credit transactions, facilitating the efficient flow of information and documentation.

As part of managing credit risk, the Committee assesses the overall condition of the Bank’s loan portfolio and makes decisions regarding credit allocation processes based on analyses and reports prepared by relevant units. In this context, projects to be financed are evaluated holistically in terms of their economic, environmental, and social dimensions, taking into account the Bank’s Environmental and Social Policy framework.

Matters such as the restructuring, deferral, or installment of loan and financial leasing receivables are addressed and decided by the Committee within defined limits.

In addition, work is carried out to align credit policies with current conditions, improve the quality of the loan portfolio, and determine client–based strategies.

The Committee evaluates proposals prepared by relevant units aimed at increasing the effectiveness of the Bank’s credit processes, submitting these proposals for the Board of Directors’ approval where necessary.

Committee Structure and Operation

The Credit Assessment Committee is composed of the Bank’s senior management, carrying out a multi-dimensional assessment process through members representing different functions. The Committee is chaired by the General Manager, with members including relevant Deputy General Managers and Heads of Department.

Other unit representatives may be invited to meetings as needed depending on the agenda; however, these participants are not included in the decision-making process and sign meeting minutes in the capacity of “meeting attendee.”

During 2025, the Committee held a total of 40 meetings; having conducted the necessary assessments on 166 topics and proposals addressed, it submitted the decisions deemed appropriate for the Board of Directors’ approval.

Credit Assessment Committee Members and Duties

The Credit Assessment Committee is composed of the Bank’s senior executives; the committee members and division of duties are as follows:

- **İbrahim H. Öztop** – Chairman, General Manager / Board Member
- **Seçil Kızılkaya Yıldız** – Member, Deputy General Manager
- **Satı Balcı** – Member, Deputy General Manager

- **Esrin Usta** – Member, Head of the Loan Portfolio Management and Monitoring Department
- **Relevant Unit Managers** – Participant, Relevant Unit Head of Department / Manager

Corporate Governance Committee

In line with the Regulation on Corporate Governance Principles of Banks published by the Banking Regulation and Supervision Agency in the Official Gazette dated November 1, 2006, No. 26333, and the Capital Markets Board’s Corporate Governance Principles, the Corporate Governance Committee was established by Board of Directors decision dated June 15, 2007, No. 185.

The Committee’s operating procedures and principles were put into effect by Board of Directors decision dated July 24, 2007, No. 209; this structure was subsequently updated and transformed into the Corporate Governance Committee Regulation by decision dated December 29, 2011, No. 283. This regulation was revised by Board of Directors decision dated September 22, 2022, No. 2022–14–11/211.

The Corporate Governance Committee is responsible for contributing to the formulation of the Bank’s corporate governance policies, monitoring practices in this area, identifying areas for improvement, and presenting recommendations to the Board of Directors. The Committee also coordinates efforts aimed at increasing the level of compliance with corporate governance principles.

In accordance with the Board of Directors’ decision dated June 2, 2025, Independent Board Member Kerem Dönmez was appointed Chairman of the Corporate Governance Committee. During 2025, the Committee held one meeting and continued its activities in line with the decisions taken.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

In addition, by Board of Directors decision, the duties of the Nomination Committee under Capital Markets Board regulations are also carried out by the Corporate Governance Committee.

The Corporate Governance Committee continues its work aimed at developing the Bank's corporate governance practices, contributing to strengthening performance in this area.

Corporate Governance Committee Members and Duties

The Corporate Governance Committee is composed of Board members and relevant executives; the committee members and division of duties are as follows:

- **Kerem Dönmez** – Chairman, Independent Board Member
- **Zekeriya Coştu** – Vice Chairman, Chairman of the Board of Directors
- **Metin Yılmaz** – Member, Head of Investor Relations Division

Executive Committee

TKYB has established the Executive Committee to ensure the effective and efficient conduct of daily operations. This committee is responsible for assessing the Bank's short- and medium-term goals and strategies, determining action plans in line with these, monitoring the implementation of these plans, and contributing to the achievement of set goals.

The Executive Committee plays an important role in the Bank's overall operations, ensuring the effectiveness, efficiency, and regulatory compliance of daily activities.

The Committee may directly assign tasks to relevant units to guide its work, and may request information through prepared reports at specific intervals or as

needed. Committee meetings are held regularly on a weekly basis, with activities carried out in line with the decisions taken.

Remuneration Committee

Under the provisions of the Regulation Amending the Regulation on Corporate Governance Principles of Banks, published by the Banking Regulation and Supervision Agency in the Official Gazette dated September 9, 2011, No. 27959, the Remuneration Committee was established to assess the alignment of the Bank's remuneration policies with its risk management approach and to make recommendations to the Board of Directors accordingly.

The Committee was established by Board of Directors decision dated December 8, 2011, No. 2011-23-10/272; subsequently, the Bank's Remuneration Policy was put into effect by decision dated April 18, 2013, No. 2013-AK-704, and the Remuneration Committee Regulation was put into effect by decision dated June 13, 2013, No. 2013-11-14/121.

In accordance with the Board of Directors' decision dated May 2, 2025, No. 2025-06-03-088, the membership of the Remuneration Committee was reconstituted.

During 2025, the Committee held one meeting, conducting assessments within the scope of its duties and responsibilities.

Remuneration Committee Members and Duties

The Remuneration Committee consists of at least two members selected from among the non-executive members of the Board of Directors; the committee members and division of duties are as follows:

- **Zeynep Boğa** – Chairwoman, Independent Board Member
- **Erdal Erdem** – Member, Independent Board Member

Sustainability Committee

The Sustainability Committee has been established within Development and Investment Bank of Türkiye to ensure the formulation, development, and holistic integration of sustainability strategies and policies into the Bank's activities. The Committee is one of the core governance mechanisms supporting the effective coordination and institutional implementation of sustainability efforts.

The Sustainability Committee carries out its activities under the Sustainability Committee Directive, updated on July 25, 2024. The Committee is chaired by the General Manager and comprises an independent Board Member, the Deputy General Manager to whom the Sustainability and Environmental Social Impact Management Unit reports, the Deputy General Manager to whom the Development Finance and Financial Institutions Unit reports, the Deputy General Manager responsible for Human Resources, Financial Affairs and Strategy, the Sustainability and Environmental Social Impact Management Unit Manager, and other assisting members selected by the Committee.

The Committee makes decisions regarding the determination of sustainability goals, the monitoring of performance, and the development of related processes, ensuring that the Bank's sustainability approach is aligned with corporate strategy. In this context, coordination is ensured among relevant units, and developments in the field of sustainability are regularly assessed.

During 2025, the Sustainability Committee held two meetings. At these meetings, assessments were made regarding the Bank becoming an "Adopter" under the Taskforce on Nature-related Financial Disclosures (TNFD), with decisions taken regarding related reporting processes. In addition, decisions were taken

to more comprehensively analyze climate-related risks and opportunities and to detail this work within the Integrated Report.

Sustainability Committee Members and Duties

The Sustainability Committee is composed of senior management and representatives of relevant units; the members and division of duties are as follows:

- **İbrahim Halil Öztop** – Committee Chairman, General Manager / Board Member
- **Seçil Kızılkaya Yıldız** – Vice Chairwoman of the Committee, Deputy General Manager
- **Erdal Erdem** – Member, Independent Board Member
- **N. Yasin Külahçı** – Member, Deputy General Manager
- **Mehtap Altuğ** – Member, Manager of Sustainability and Environmental Social Impact Management

Business Continuity and Emergency Management Committee

TKYB has launched the Business Continuity and Emergency Management Committee to establish an effective management structure in the field of business continuity, ensuring the coordinated execution of policy, planning, testing, and necessary actions in this area. The Committee holds important responsibilities such as identifying potential risks, preparing emergency scenarios, developing business continuity strategies, and monitoring the implementation of these strategies.

The Committee is chaired by the General Manager and comprises the Deputy General Managers, Chief Legal Counsel, Head of the Support Services Department, Head of the IT Application Development Department, Head of the IT Systems and Infrastructure Department, Head of the Enterprise Architecture and Project Management Department, Head of the Internal Control and Compliance Department, Head of the Human Resources Department, Head of the Risk Management Department, and Head of the Strategy and Organization Department.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

In addition, the Committee undertakes duties such as organizing training on emergencies, regularly tracking risks, and coordinating improvement activities. Through these efforts, the Bank aims to ensure the uninterrupted continuity of its operational activities, taking strategic-level measures to secure the continuity of institutional operations. The Committee met twice in 2025, adopting a total of **13** decisions.

Disciplinary Board

TKYB has established the Disciplinary Board to assess and reach final decisions on investigation files referred to it. The Board is responsible for ensuring that disciplinary processes within the Bank are carried out fairly and effectively.

The Disciplinary Board is chaired by the General Manager and comprises the Deputy General Manager responsible for the Human Resources Unit, the Head of the Human Resources Department, the Chief Legal Counsel, the Head of the Board of Inspectors, and the Manager of Internal Control and Compliance.

Information Security Committee

TKYB has established the Information Security Committee to ensure the implementation of the Information Security Policy and to review compliance with this policy. The Committee determines the Bank's information security strategies, evaluates the effectiveness of security measures, and monitors the consistent implementation of related policies.

The Chairman of the Information Security Committee is the General Manager. In the Chairman's absence, the meetings are chaired by the most senior Deputy General Manager among the attending members. At a minimum, meetings of the Information Security Committee require the participation of the Deputy General Manager responsible for the IT Application Development, IT Systems

and Infrastructure, and Enterprise Architecture and Project Management units; the Deputy General Manager responsible for Human Resources, Financial Affairs and Strategy; the Information Security Unit Manager/Unit Staff; the Head of the IT Systems and Infrastructure Department; the Head of the IT Application Development Department; the Head of the Enterprise Architecture and Project Management Department; the Human Resources Unit Representative; the Legal Counsel Unit Representative; the Internal Control and Compliance Unit Representative; and the Risk Management Unit Representative. Where necessary, Deputy General Managers responsible for other units and unit managers may also participate. The Head of the Board of Inspectors participates as an observer in meetings.

The Committee met **3** times in 2025, adopting a total of **28** decisions.

Innovation and Business Development Committee

The Innovation and Business Development Committee has been established within TKYB to assess and implement new products, services, innovations, changes, and business development opportunities.

The Committee assesses developments likely to impact the Bank's corporate strategies and business plans, as well as proposals considered likely to contribute to achieving corporate goals.

The Committee is chaired by the General Manager and comprises the Deputy General Managers; the Heads of the Strategy and Organization, Budget and Cost Management, Risk Management, Credit Allocation, Corporate Banking Sales, Corporate Banking and Project Finance, Credit Operations, Treasury and Capital Markets Operations, Türkiye Kalkınma Fonu, Treasury, Capital Markets Advisory, IT Application Development, IT Systems and Infrastructure, Enterprise Architecture and Project Management, and Development Cooperation and Wholesale Banking Departments; the Head of

the Internal Control and Compliance Department; the Head of the Support Services Department; the Chief Legal Counsel; and, where necessary, other managers determined by the Chairman. Managers of the units presenting new product and service proposals and owning the relevant service or product are also present at meetings. In the Chairman's absence, meetings are chaired by the Deputy General Manager responsible for the Strategy and Organization unit.

The Committee met **2** times in 2025, adopting a total of **4** decisions.

Information Systems Strategy and Steering Committee

TKYB has established the Information Systems Strategy and Steering Committee to increase the effectiveness of investments made in line with the information systems strategic plan and to ensure alignment between the Bank's business goals and technology goals. The Committee ensures the prioritization of information systems-related projects and investments, monitors the progress of ongoing projects, and contributes to the smooth progress of processes by resolving resource conflicts that may arise between projects.

In addition, the Committee provides necessary guidance to ensure that information systems architecture and projects comply with legal regulations, monitors service quality, and evaluates performance. Aiming to guide technology management within the strategic plan framework, the Committee continues its work to ensure the efficient and effective use of technology investments.

The Committee is chaired by the General Manager and comprises the Deputy General Managers; the Head of the IT Systems and Infrastructure Department; the Head of the IT Application Development Department; the Head of the Enterprise Architecture and Project Management Department; the Information Security Officer; the Head of the Internal Control and Compliance

Department; the Head of the Risk Management Department; the Head of the Treasury and Capital Markets Operations Department; the Head of the Credit Operations Department; and the Chief Legal Counsel. In the Chairman's absence, the meeting is chaired by the Deputy General Manager acting on behalf of the General Manager.

Human Resources Committee

TKYB has established the Human Resources Committee to carry out workforce planning and support employee training and development. This committee determines the Bank's human resources strategies, analyzes workforce needs, and effectively manages recruitment and placement processes.

The Human Resources Committee comprises the General Manager, the Deputy General Managers, and the Head of the Human Resources Department. The Chairman of the Committee is the General Manager.

Information Systems Continuity Committee

TKYB has established the Information Systems Continuity Committee to ensure the uninterrupted operation of information technology (IT) systems and applications in situations that risk the continuity of institutional activities. This Committee determines the structural framework necessary to ensure the continuity of IT systems and coordinates related planning processes.

The Committee is responsible for guiding core matters such as defining measures for the business continuity of IT services used in carrying out banking activities, developing potential emergency scenarios, backing up IT infrastructure, and developing disaster recovery strategies. Implementing necessary measures to ensure the Bank's operations continue without interruption, the Committee continues its work to achieve its goals in this area.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Committee is chaired by the General Manager and comprises the Deputy General Managers; the Heads of the IT Systems and Infrastructure, IT Application Development, Enterprise Architecture and Project Management, Risk Management, Human Resources, Support Services, Treasury and Capital Markets Operations, Credit Operations, Treasury, Financial Affairs, Internal Control and Compliance, and Strategy and Organization Departments; the Chief Legal Counsel; and the Information Security Officer.

Turkish Financial Reporting Standards (TFRS 9) Committee

The Turkish Financial Reporting Standards (TFRS 9) Committee has been established to ensure senior-level governance and oversight of the impairment calculation process carried out under TFRS 9. The Committee carries out work aimed at ensuring objectivity and impartiality to ensure this process is conducted in accordance with the provisions of TFRS 9.

The TFRS 9 Committee is chaired by the Deputy General Manager to whom the Financial Affairs Unit reports, and comprises the managers or representatives of the Financial Affairs, Risk Management, IT Application Development, Credit Allocation, Loan Portfolio Management and Monitoring, Strategy and Organization, Budget and Cost Management, and Treasury units.

Procurement Committee

TKYB has established the Procurement Committee to ensure the effective management of procurement processes. This committee is responsible for establishing and, where necessary, updating procurement policies and procedures, and determining principles related to transactions such as purchasing, selling, construction, and leasing within the committee's authorized limits. It also coordinates supplier selection processes, ensuring that procurement activities are carried out efficiently and in an orderly manner.

The Committee is chaired by the General Manager and comprises the Deputy General Manager to whom Support Services reports, the Head of the Support Services Department, and the Head of the Financial Affairs Department.

Personal Data Protection (KVK) Committee

The KVK Committee has been established within TKYB to formulate policy on the protection of personal data and to ensure the effective implementation of this policy. The Committee continuously monitors compliance with Personal Data Protection Law No. 6698, develops necessary corrective and preventive actions, and makes recommendations to the Board of Directors accordingly. The Committee's core responsibility is to ensure that the Bank acts in full compliance with legal obligations regarding the confidentiality and security of personal data and to guarantee the effective protection of data.

The Committee is chaired by the General Manager and comprises the Deputy General Manager to whom the Affiliates and Corporate Relations Unit reports; the Deputy General Manager responsible for the IT Application Development, IT Systems and Infrastructure, and Enterprise Architecture and Project Management units; the Deputy General Manager responsible for Human Resources, Financial Affairs and Strategy; the Head of the Affiliates and Corporate Relations Department; the Head of the IT Application Development Department or their deputy; the Head of the IT Systems and Infrastructure Department; the Head of the Enterprise Architecture and Project Management Department; the Head of the Internal Control and Compliance Department; the Head of the Board of Inspectors; the Corporate Communications Unit Representative; the Chief Legal Counsel; the Head of the Human Resources Department; and the Information Security Unit Representative. In the Chairman's absence, the Deputy General Manager to whom the Affiliates and Corporate Relations Unit reports chairs the Committee meetings on behalf of the Chairman.

Information Sharing Committee

The Information Sharing Committee has been established under the Regulation on the Sharing of Confidential

Information to coordinate the sharing of confidential information within TKYB in accordance with the principle of proportionality. The Committee assesses information-sharing requests, determines their appropriateness, and records and monitors this process.

The Committee is chaired by the General Manager and comprises the Chief Legal Counsel, the Manager of Internal Control and Compliance, and the representative of the unit requesting the information sharing. In the Chairman's absence, the Chief Legal Counsel chairs the Committee meetings on behalf of the Chairman.

Financial Institutions Committee

The Financial Institutions Committee has been launched to determine transaction limits for TKYB's transactions with financial institutions. The Committee manages relationships with financial institutions; it assesses the Bank's short- and medium-term goals and strategies for its dealings with financial institutions, determines action plans in line with these, and monitors the implementation of these plans. This ensures that the Bank's transactions with external financial institutions are carried out in an orderly, controlled, and strategic manner.

The Committee is chaired by the General Manager and comprises the Deputy General Manager responsible for Treasury and Development Finance and Financial Institutions; the Deputy General Manager responsible for Corporate Banking and Project Finance; the Deputy General Manager responsible for Investment Banking and Project Assessment; the Deputy General Manager responsible for Credit Allocation; the Head of the Development Finance and Financial Institutions Department; and the Head of the Treasury Department. In the Chairman's absence, the Deputy General Manager responsible for Treasury and Development Finance and Financial Institutions chairs the Committee meetings on behalf of the Chairman.

Ethics Commission

The Ethics Commission has been established to guide and advise all personnel within TKYB on issues related to ethical conduct principles they encounter.

The Commission supports the establishment and development of an ethical culture within the Bank while also being responsible for evaluating ethical practices. The Ethics Commission formulates policy to ensure compliance with ethical standards and carries out work aimed at implementing these policies. In addition, it addresses staff members' ethical concerns, organizes ethics training, and takes various measures to promote the spread of an ethical culture. The Commission's core objective is to ensure that the Bank operates in accordance with ethical values and to encourage employees' ethical conduct.

The Commission is chaired by the General Manager and comprises the Deputy General Manager responsible for Human Resources, Financial Affairs and Strategy; the Head of the Board of Inspectors; the Head of the Human Resources Department; and the Head of the Internal Control and Compliance Department. The Deputy General Manager responsible for Human Resources, Financial Affairs and Strategy serves as Vice Chairman.

Strategic Steering Committee

The Strategic Steering Committee has been established to determine and evaluate TKYB's future-oriented vision, strategy, and goals; to assess synergy efforts aimed at creating an internal culture of change and transformation, increasing cooperation between units within the Bank, and supporting the Bank's institutionalization; to prepare strategic business plans and coordinate this process; and to assess the Bank's overall performance. The Strategic Steering Committee evaluates the Bank's overall performance and provides the necessary guidance to ensure that set performance targets are achieved. In this way, it supports sustainable growth and lasting success by determining the Bank's long-term strategies.

The Committee is chaired by the General Manager and comprises all of the Deputy General Managers. In the Chairman's absence, meetings are chaired by the Deputy General Manager responsible for the Strategy and Organization unit.

The Committee met **once** in 2025, adopting a total of **9** decisions.

IMPACT MANAGEMENT AND CORPORATE GOVERNANCE PERFORMANCE

In line with its approach supporting sustainable development and based on responsible banking principles, Development and Investment Bank of Türkiye has adopted the Operating Principles for Impact Management, becoming one of the pioneering institutions in this field in Türkiye. The Bank applies a model that does not limit its financing activities to economic returns alone but also systematically addresses environmental and social impacts.

International impact standards form the basis of all financing activities, including venture capital and private sector investments, making processes more transparent, measurable, and disciplined as a result.

Through its Impact Report, published in September 2022 and a first of its kind in Türkiye, the Bank comprehensively shared its environmental and social impacts with the public. This report was verified through an independent audit, strengthening the Bank's transparency approach in the field of impact management.

TKYB continues to integrate its efforts toward combating climate change and contributing to sustainable development goals into its institutional processes. The work coordinated by the Sustainability and Environmental Social Impact Management Unit is among the Bank's strategic priorities.

Acting in line with the principles of "Supporting Sustainable Development" and "Responsible Banking," the Bank aims to create economic, environmental, and social benefit through its financing and advisory activities, making this approach a core element of its business model.

The Bank's senior management demonstrates direct ownership of sustainability matters; the Sustainability Committee established in this context plays an active role in decision-making and steering processes. Chaired by the General Manager, the Committee is positioned as a critical structure in determining sustainability goals and monitoring their implementation.

With the Integrated Report published in 2020, the Bank transparently presented its value creation approach and sustainability strategy to the public, sharing its economic, environmental, and social impacts from a holistic perspective.

Management Systems – Certifications

In line with its sustainability and operational excellence goals, TKYB continuously develops its management systems and brings them into alignment with international standards. The Bank has implemented the ISO 14001 Environmental Management System since 2010, ensuring the systematic management of environmental impacts.

Processes established to reduce environmental impacts, increase resource efficiency, and monitor performance are regularly reviewed, with necessary improvement steps taken accordingly. The ISO 14001 surveillance audit conducted by TSE (Turkish Standards Institution) in 2025 was successfully completed without any nonconformities.

To create a more integrated management structure, the Bank has combined the ISO 9001 Quality Management System, the ISO 45001 Occupational Health and Safety Management System, and the ISO 14001 Environmental Management System into an integrated management system.

In addition, as part of efforts to improve customer experience, the ISO 10002 Customer Satisfaction Management System certification has been obtained, ensuring the effective management of customer feedback.

In the field of information security, compliance with the ISO/IEC 27001 and ISO/IEC 27701 standards has strengthened data security processes. In addition, work is being carried out in line with the ISO 14064 standard for managing greenhouse gas emissions, with emission calculations carried out in accordance with international standards.

Compliance with Corporate Governance Principles

TKYB carries out its operations in compliance with relevant legislation and regulations, focusing on the continuous development of its corporate governance practices. In line with the Corporate Governance Principles set by the Capital Markets Board (CMB), the Bank ensures full compliance with mandatory principles while continuing its efforts toward compliance with non-mandatory principles.

The Bank continues its improvement efforts in areas where full compliance has not yet been achieved, managing this process transparently. Strengthening corporate governance practices is regarded as an important element for the Bank's long-term sustainability.

The Corporate Governance Compliance Report is published regularly through the Public Disclosure Platform (KAP); related reports are prepared in compliance with CMB regulations.

Stability in Corporate Governance

TKYB continues to steadily improve its performance in the field of corporate governance. The corporate governance rating score rose compared to the previous period, reaching 9.52, with the Bank maintaining its strong position in this area.

An assessment by sub-heading shows the Bank demonstrated strong performance under the headings of Shareholders, Public Disclosure and Transparency, Stakeholders, and the Board of Directors. This result is regarded as a concrete indicator of the importance the Bank places on the principles of transparency, accountability, and responsibility.

This strong structure in corporate governance practices supports the Bank's sustainable growth strategy and demonstrates its commitment to further improving its performance in this area going forward.

CORPORATE AND SYSTEMATIC RISK MANAGEMENT

TKYB applies a comprehensive and holistic risk management approach to effectively manage the risks that may arise in its areas of activity. This approach includes processes for the early identification, measurement, monitoring, and control of risks, providing a structure aligned with the Bank's sustainable growth goals.

The Bank carries out risk management processes within a systematic framework extending from risk identification and analysis to monitoring and reporting. Through these mechanisms, we regularly assess risks and take necessary measures in a timely manner.

The Risk Management Unit within the Bank ensures the effective monitoring of all types of risk, presenting its findings to senior management through regular reports. Reports are prepared on a daily, weekly, and monthly basis and shared with the Board of Directors, the Audit Committee, and relevant senior management units.

Within the scope of risk analysis, scenario studies are conducted regarding changes in interest rates, exchange rates, and market conditions, with risks monitored within defined limits. Stress tests are applied where necessary, and risk management policies are updated based on the results obtained. In addition, the effectiveness of collateral structures is regularly reviewed, with necessary improvements made.

Governance and Organizational Structure

The Bank's risk management approach is supported by a strong governance structure. Various committees play an active role in ensuring that risks are effectively assessed in decision-making processes.

In this context, structures such as the Asset-Liability Committee, Credit Assessment Committee, Audit Committee, TFRS 9 Committee, Executive Committee, and Corporate Governance Committee carry out critical functions related to monitoring and managing risks.

These committees determine the Bank's risk appetite and tolerance levels, ensuring that risks are managed accordingly. Each committee meets regularly within its area of responsibility, with risk management processes guided by the decisions taken.

Through the coordinated work of these committees, risks are effectively controlled across the Bank, supporting a sustainable and balanced management approach.

Regulatory Compliance and Reporting Processes

TKYB carries out its risk management activities in accordance with relevant legislation and regulatory requirements. In this context, the financial statements and reports prepared by the Bank are regularly audited and submitted to relevant authorities.

Independent auditors reviewed the year-end 2025 financial statements; the Bank also ensured compliance with BRSA (Banking Regulation and Supervision Agency) requirements through its annual regulatory reporting.

The Internal Capital Adequacy Assessment Process (ICAAP) report was prepared, assessed by relevant units, and submitted for the Board of Directors' approval. This process contributes to the Bank managing its capital adequacy in alignment with its risk profile.

Risk Measurement and Monitoring Approach

The Bank uses both quantitative and qualitative analysis methods together in its risk measurement and monitoring processes. Through the models developed in this context, risks are regularly measured and assessed based on performance indicators.

In addition, scenario analyses are conducted to strengthen forward-looking projections, supported by stress tests. This ensures preparedness against potential risks and provides a more solid foundation for decision-making processes.

Risk limits are set to reflect the Bank's risk appetite and are reviewed and updated at least once a year. When limit breaches are identified, necessary actions are quickly implemented to bring risks under control.

Holistic Risk Management Approach

TKYB applies a holistic risk management model encompassing both risks arising from macroeconomic developments and risks arising from its own activities. This approach contributes to preserving the Bank's financial soundness and maintaining its operational effectiveness.

Core components of the risk management process include stress tests, scenario analyses, regular reporting processes, and internal control mechanisms. Through this structure, risks are managed proactively, safeguarding the Bank's long-term strategic goals.

Core Risk Management Tools and Processes

- Forward-looking risk assessments through stress tests and scenario analyses
- Analyses conducted under the Internal Capital Adequacy Assessment Process (ICAAP)
- Reporting activities carried out in line with regulatory requirements
- Risk management practices integrated with strategic planning
- Plans and practices developed under business continuity

BUSINESS ETHICS AND LEGAL COMPLIANCE

The Bank treats efforts related to combating unfair competition and corruption, creating working conditions grounded in ethical principles, and preventing conflicts of interest as matters of primary importance. The Banking Ethics Principles prepared by The Banks Association of Türkiye and the Bank's own Code of Ethics serve as guiding references in this regard.

All Bank personnel sign an 'Ethics Agreement,' which we keep in their employee files. In addition, TKYB actively uses the Complaints Management Procedure in projects carried out with International Financial Institutions (IFIs), aiming to maintain strong communication with its stakeholders, clients, and beneficiaries.

The notification center within the Bank's internal systems serves as a channel through which employees can securely submit suggestions and complaints, as well as reports, ethics violations, and suspicious transaction declarations. Personnel not involved in IFI projects can also submit their reports to the Bank through dedicated email addresses. Through these mechanisms, internal and external stakeholders can share complaints related to International Financial Institution projects with TKYB.

Suggestions and complaints are reported through the Customer Suggestion and Complaint Form available at <https://kalkinma.com.tr/en/contact-us/contact-information> in cases of staff conduct contrary to the "Ethical Conduct Principles" or misconduct, relevant declarations are submitted to etikhatti@kalkinma.com.tr. All suggestion, complaint, and report submissions are forwarded directly to the General Manager, with incoming reports evaluated by the Ethics Commission.

Employees can also report practices contrary to laws and regulations using the email address ihbarhatti@kalkinma.com.tr.

TKYB personnel can submit requests related to policies and practices to the Strategy and Organization unit through the Idea Platform available on the Bank's intranet portal.

Ethics-related reports can also be submitted to ihbar@kalkinma.com.tr. Reports received through this address are forwarded to the Internal Control and Compliance Unit (İÇKU). After conducting a preliminary assessment, the Manager of the Internal Control and Compliance Unit forwards reports of this nature to the Head of the Board of Inspectors for necessary action.

To ensure strong communication in the field of ethics and compliance, TKYB provides clear and transparent information on this topic on its website. Complaint mechanisms are provided to inform both Bank personnel and individuals working on projects, with the Bank ensuring these mechanisms remain easily accessible.

All reporting processes are carried out based on the principle of confidentiality. In addition, declarations of violations and misconduct submitted through the ethics hotline are forwarded directly to the General Manager, ensuring senior management's involvement in the process.

TKYB has taken its approach to ethics and compliance a step further by signing the United Nations Global Compact, committing to integrate universally recognized principles — such as human rights, labor practices, environmental responsibility, and anti-corruption — into its activities.

The UN Global Compact is a global platform that encourages businesses to act more sustainably and responsibly. By joining this initiative, the Bank integrates into all of its business processes a management approach grounded in respect for human rights, responsible management of environmental impacts, protection of employee rights, and commitment to combating corruption.

The Bank's approach to ethics has been shaped within the framework of the "TKYB Code of Ethics" and the "Environmental and Social Policy." The policies and procedures supporting this approach include:

- Conflict of Interest Policy
- Regulation on Combating Money Laundering and Terrorism Financing
- Anti-Bribery and Anti-Corruption Policy
- The Banks Association of Türkiye's "Banking Ethics Principles"
- Regulation on Public Officials' Code of Ethical Conduct and Application Procedures and Principles
- Decisions of the Republic of Türkiye Public Officials Ethics Board

The ethical principles adopted by TKYB cover the Bank's responsibilities toward customers, other sector participants, employees, the Bank itself, society, and business partners; they also include relations with the media and external stakeholders, protection of confidentiality, and actions related to money laundering.

In line with these principles, the Bank adopts as a core approach the protection of customer rights in accordance with legal regulations, avoidance of behavior that could lead to unfair competition, and ensuring equal opportunity in internal practices.

TKYB offers financing and advisory solutions that both protect its institutional reputation and support environmental and social sustainability. In addition, the Bank maintains its commitment to ethical standards, acting in accordance with the Conflict of Interest Policy in all of its business relationships.

TKYB carries out all of its activities in compliance with legal regulations, internal policies and procedures, and banking traditions. Objectives such as the integrity and reliability of accounting and reporting systems, timely access to information, and increased efficiency in operational processes are supported by ongoing control mechanisms that all personnel across the institution are required to follow.

In its relations with the media and public institutions, the Bank prioritizes the principles of social benefit, protection of individual rights, and impartiality. Confidentiality practices are carried out in accordance with policies and procedures developed under Personal Data Protection Law No. 6698. TKYB's ethical principles enter into force upon approval by the Board of Directors and are accepted as a guide for institutional operations.

Ethical rules are not limited to the Bank's employees and customers but also cover relations with business partners and suppliers. In this context, TKYB's "Code of Conduct" serves as a reference point. The Bank bases its relationships with suppliers on high ethical and professional standards, requiring suppliers to comply with certain principles accordingly.

BUSINESS ETHICS AND LEGAL COMPLIANCE

As of 2025, there are no lawsuits filed against the Bank due to ethics violations. This reflects the positive outcome of the comprehensive ethics training provided to all employees and managers, and demonstrates the Bank's commitment to ethical principles and policies.

- Workplace standards
- OHS measures
- Regulation of wages and working hours
- Freedom of association and collective bargaining agreements
- Forced or compulsory labor
- Prevention of child labor
- Prevention of harassment and abuse
- Combating discrimination
- Compliance with laws and regulations
- The principle of sustainability

These principles reinforce TKYB's commitment to sustainable and responsible business ethics, ensuring that all stakeholders within the supply chain also comply with the relevant standards.

CONFLICT OF INTEREST AND ANTI-COMPETITIVE PRACTICES

The Bank has established a Conflict of Interest Policy to prevent conflicts of interest and anti-competitive practices. Through this policy, TKYB prevents potential conflicts of interest both among the Bank, customers, Bank employees, and units as groups, and among individuals within these groups.

This policy, covering all employees including temporary staff, is supported by the Code of Ethics. These Ethical Principles adopted by TKYB aim to provide high standards of service to customers, stakeholders, employees, and society, ensure the effective and efficient use of resources, and prevent unfair competition.

By committing to act in accordance with the Code of Ethics Agreement and the Banking Ethics Principles set by The Banks Association of Türkiye, the Bank has made these values a cornerstone of its corporate culture. TKYB places importance on protecting customer rights within legal boundaries, maintaining a fair competitive environment, and ensuring equal opportunity in internal processes. In addition, while protecting its reputation through the financing and advisory services it provides, the Bank supports environmental and social sustainability.

The Corporate Governance Committee has been established within the Bank to determine corporate governance policy and monitor compliance with the principles set under this policy. This committee is responsible for identifying potential conflicts of interest and developing necessary measures. In cases where a Board Member serves as an executive or board member at another financial institution, or provides advisory services, an assessment is made to ensure that this role does not interfere with their responsibilities at the Bank or give rise to any conflict of interest. Conflicts of interest that may arise in connection with the Bank's

various board memberships are regularly reported to all stakeholders and shared with the public through the Public Disclosure Platform (KAP). Under the current Procurement and Tender Regulation, procurement through Board members or Bank personnel is prohibited. In addition, necessary measures have been taken in line with the Conflict of Interest Policy and Code of Ethics to prevent conflicts of interest related to suppliers. An Ethics Hotline has also been made available for employees to report potential conflicts of interest.

The Bank's affiliates regularly disclose their transactions with the Bank in independent audit reports and annual activity reports. This information is shared transparently with all stakeholders. In cases of potential conflicts of interest, necessary actions are taken in accordance with the Bank's internal regulations. Throughout 2025, the Bank did not face any legal proceedings related to anti-competitive practices or monopolistic behavior.

ANTI-CORRUPTION AND ANTI-BRIBERY

TKYB embraces a "zero tolerance" principle in combating bribery and corruption, ensuring full compliance with the legal regulations, ethical principles, and international standards applicable in all countries where it operates. The Bank conducts all of its business relationships in line with this principle and maintains a firm stance against unethical conduct.

The Anti-Bribery and Anti-Corruption Policy is reviewed once a year by relevant units to maintain the effectiveness of related processes, and is renewed as necessary. This policy covers not only Bank personnel but also Board members, subsidiaries, affiliates, external service providers, and business partners.

To ensure effective implementation, the Bank requires employees to read and acknowledge the policy. We have developed the necessary digital infrastructure to facilitate this process. TKYB offers regular training programs aimed at reducing the risk of bribery and corruption. These programs are planned to cover all employees. The completion of these training programs is closely monitored by the Bank's Internal Control and Compliance Unit.

TKYB has established an Ethics Reporting Hotline both to support the fight against bribery and corruption and to enable the reporting and review of suspected violations of the Code of Ethical Conduct. All of our Bank's stakeholders can report any situation contrary to ethical principles, including bribery and corruption, by email to ihbar@kalkinma.com.tr. The identities of those submitting reports through this process are kept confidential.

To manage the risk of bribery and corruption, the Bank regularly conducts risk assessments. These assessments analyze the risk potential of new products and processes, compliance with the segregation-of-duties principle, and the currency and adequacy of the Bank's lending, procurement, and human resources policies. Employees' awareness levels, as well as the status of bribery- and corruption-related investigations and financial losses, are also included in these analyses.

No cases of bribery or corruption were identified during the 2025 reporting period. These results demonstrate the Bank's strong commitment to combating bribery and corruption, as well as the effectiveness of the training provided in this area.

PERFORMANCE INDICATORS

ENVIRONMENTAL PERFORMANCE INDICATORS

ENERGY

Energy consumption data–By energy use	2021	2022	2023	2024	2025
Electricity consumption (kWh)	1,055,693	1,434,521	959,014.27	2,197,976.73	2,149,042.21 ✔
Electricity consumption amount (GJ)	3,800	5,164	3,452,45	7,912,72	7,736.55
Electricity intensity (kWh/m²)	149	102,19	68,31	156,57	153,09 ✔
Energy consumption data – By fuel type	2021	2022	2023	2024	2025
Natural gas consumption (m³)	98,889	95,147	88,011.06	79,007.85	94,439.53 ✔
Natural gas consumption (GJ)	3,387	3,284	3,344.42	2,727.2	3,258.16
Natural gas intensity (m³/m²)	13.9	13.4	6.27	5.63	6.73 ✔
Stationary combustion – Diesel (Generator) (L)	4,758	4,320	2,340	4,190	3,910 ✔
Mobile combustion – Diesel (L)	33,175	40,974	19,546.38	9,188.12	6,196.89 ✔
Mobile combustion – Gasoline (L)	2,550	6,145	42,386.67	49,614.32	47,269.59 ✔
Energy consumption outside company boundaries	2021	2022	2023	2024	2025
Bank-owned vehicle fuel consumption – Diesel (L)	33,175	40,974	19,546.38	9,188.12	6,196.89 ✔
Bank-owned vehicle fuel consumption – Diesel (GJ)	1,146	1,434	0.000698	327.09	282.51
Bank-owned vehicle fuel consumption – Gasoline (L)	2,550	6,139	42,386.67	49,614.32	47,269.59 ✔
Bank-owned vehicle fuel consumption – Gasoline (GJ)	82	1,146	0.0014	1,616.5	1,830.28

PERFORMANCE INDICATORS

ENVIRONMENTAL PERFORMANCE INDICATORS

WATER

Water consumption data (m³)	2021	2022	2023	2024	2025
Total water consumption (m³)	2,966	3,758	5,318.69	5,186.73	5,243.38 ✔
Water intensity (m³/employees)	10	12.4	16.07	14.9	13.08 ✔

EMISSIONS

Emission data (tons CO ₂ equivalent)	2021	2022	2023	2024	2025
Scope 1 greenhouse gas emission (tons CO ₂ e)	1,851	364	373	365	368.41 ✔
Scope 2 greenhouse gas emission (tons CO ₂ e)	-	631	421	972	932.68 ✔
Scope 1 + Scope 2 greenhouse gas emission (tons CO ₂ e)	1,851	995	794	1,337	1,301.09 ✔
Scope 3 greenhouse gas emission (Excluding portfolio emissions) (tons CO ₂ e)	819	563	383	594,35	543.72 ✔
Scope 3 - Category 15 greenhouse gas emission (tons CO ₂ e)	-	3,448.886	982,605	468,258	1,629,646.57 ✔
Scope 3 - Total greenhouse gas emissions (tons CO ₂ e)	-	3,449,009	982,988	468,843	1,630,182.54 ✔
Total greenhouse gas emissions Scope 1-2-3 (excluding portfolio emissions) (tons CO ₂ e)	-	1,558	1,177	1,921	1,844.81 ✔
Total greenhouse gas emissions Scope 1-2-3 (tons CO ₂ e)	2,670	3,450,004	983,782	470,180	1,631,491.38 ✔
Greenhouse gas emission intensity (ton CO ₂ /employee)	2.75	3.28	2.40	3.84	3.24 ✔

PERFORMANCE INDICATORS

ENVIRONMENTAL PERFORMANCE INDICATORS

WASTE

Waste amount (kg)	2021	2022	2023	2024	2025
Total amount of waste	5,679	5,315	5,048	9,482	15,820 ✔️
Non-hazardous waste (kg)	2021	2022	2023	2024	2025
Paper/Cardboard	1,941	1,661	1,947	6,604	13,059
Plastic waste	1,538	2,018	1,648	1,543	1,125
Metal waste	130	279	341	409	657
Glass	584	980	1,112	926	930
Mixed packaging	292	-	-	-	-
Recycled non-hazardous waste	4,485	4,938	5,048	9,482	15,771
Hazardous waste (kg)	2021	2022	2023	2024	2025
Motor oil	370	370	-	395	-
Battery	8	7	-	40	-
Recycled hazardous waste	378	377	-	435	49

PERFORMANCE INDICATORS

ENVIRONMENTAL PERFORMANCE INDICATORS

OTHER

	2021	2022	2023	2024	2025
Paper consumption (kg)	1,941	1,661	1,947	6,604	13,059
Installed capacity of renewable energy projects financed (MWh)	3,836	3,357	3,412	3,691.4	3,474.9 
The share of TKYB in Türkiye's renewable energy capacity (%)	7.15%	6%	6%	7%	7% 
The ratio of SDG-related loans to the total portfolio (%)	–	79%	93%	96%	96% 
The amount of SDG-linked loans utilized	USD 1.2 billion	USD 2.5 billion	USD 2.6 billion	USD 2.5 billion	USD 2.7 billion 
The percentage of the climate and environment-related SDG-linked loan portfolio to the total portfolio (%)	48%	50%	58%	61%	56% 
The number of projects subject to environmental and social risk assessment	84	112	76	59	184 
The amount of financing provided to renewable energy	USD 177 million	–	USD 1,531 million	USD 1,602 million	USD 1,603 million 
The annual tCO ₂ emissions avoided through financed renewable energy projects	5	4.5	4.6	4.2	3.9 

Ratings of projects with environmental and social risk assessment	2021	2022	2023	2024	2025
A (High Risk)	–	4	–	0	0 
B+ (Medium-High Risk)	–	21	17	7	14 
B (Medium Risk)	–	69	51	48	41 
C (Low Risk)	–	18	8	4	129 
Total	–	112	76	59	184 

PERFORMANCE INDICATORS

SOCIAL PERFORMANCE INDICATORS

EMPLOYMENT

Number of employees	2021		2022		2023		2024		2025	
Total number of full-time employees	298		303		331		348		401 	
Female	122	40.94%	119	39.27%	136	41.09%	148	42.53%	165 	41.15%
Male	176	59.06%	184	60.73%	195	58.91%	200	57.47%	236	58.85%
Female senior management	4	66.67%	4	50.00%	4	50.00%	4	50.00%	3 	50.00%
Male – Senior level	2	33.33%	4	50.50%	4	50.00%	4	50.00%	3	50.00%
Female middle management	16	39.02%	16	32.00%	18	31.03%	26	39.39%	30 	38.96%
Male – Mid level	25	60.98%	34	68.00%	40	68.97%	40	60.61%	47	61.04%
Number of contracted/subcontractor employees	–		–		30		36		24 	
Number of employees with disabilities	3		4		5		6		7 	

By length of service	2021		2022		2023		2024		2025	
Number of employees with 0-5 years of service – Total	69		66		72		64		86 	
Number of employees with 0-5 years of service – Female	25		21		32		31		40 	
Number of employees with 0-5 years of service – Male	44		45		40		33		46 	
Number of employees with 5-10 years of service – Total	87		85		102		81		95 	
Number of employees with 5-10 years of service – Female	42		35		37		31		30 	
Number of employees with 5-10 years of service – Male	45		50		65		50		65 	
Number of employees with 10+ years of service – Total	135		147		199		203		220 	
Number of employees with 10+ years of service – Female	55		63		78		86		95 	
Number of employees with 10+ years of service – Male	80		84		121		117		125 	

PERFORMANCE INDICATORS

SOCIAL PERFORMANCE INDICATORS

EMPLOYMENT

Employee Turnover	2021		2022		2023		2024		2025	
Total number of new hires	53		62		75		73		89 	
Number of male new hires	33		36		38		43		52 	
Number of female new hires	20		25		37		30		37 	
Male hiring rate	62%		60%		51%		59%		58% 	
Female hiring rate	38%		41%		49%		41%		42% 	
Number of new employees hired	53		62		75		73		89	
Female	20	38%	25	41%	37	49%	30	41.1%	37	42%
<30; Female	4	8%	11	18%	20	27%	7	23.3%	23	62%
30-50; Female	16	30%	13	21%	17	23%	23	76.7	13	35%
>50; Female	0	0%	1	2%	0	0%	0	0	1	3%
Male	33	62%	36	60%	38	51%	43	58.9%	52	58%
<30; Male	16	30%	17	27%	11	15%	14	32.6%	33	63%
30-50; Male	16	30%	19	31%	27	36%	29	67.4%	19	37%
>50; Male	1	2%	1	2%	0	0%	0	0%	0	0%
Total Number of Employee Departures	28		53		49		57		36 	
Number of Female Employee Departures	-		-		21		19		20 	
Number of Male Employee Departures	-		-		28		38		16 	
Employee turnover rate	9.5		18		15.5		16.8		9.62% 	

PERFORMANCE INDICATORS

SOCIAL PERFORMANCE INDICATORS

EMPLOYMENT

Parental Leave		2021		2022		2023		2024		2025	
Number of employees who took parental leave (Number of employees who took maternity/ paternity leave)		9		12		12		16		19 	
Female		2		9		6		7		10 	
Male		7		3		6		9		9 	
Number of employees returning to work after parental leave (after maternity/paternity leave)		9		7		12		16		15 	
Female		2	100%	4	100%	6	100%	7	100%	6	50%
Male		7	100%	3	100%	6	100%	9	100%	9	100%

Occupational Health and Safety		2021		2022		2023		2024		2025	
		Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Number of accident		0	0	0	1	2	1	1	0	1 	0 
Number of work-related fatalities		0	0	0	0	0	0	0	0	0 	0 
Number of high-consequence work-related injuries (excluding fatalities)		0	0	0	0	0	0	0	0	0.22 	0 
Rate of high-consequence work-related injuries (excluding fatalities)		0	0	0	0	0	0	0	0	0 	0 
Injury Rate (IR)		0	0	0	0	0	0	0	0	0 	0 
Lost day rate (LDR)		0	0	0	0	0	0	0	0	2.22 	0 
Absenteeism due to accidents		0	0	0	0	0	0	0	0	2 	0 
Absentee rate (AR)		0	0	0	0	0	0	0	0	0.002 	0 
Occupational disease rate (ODR)		0	0	0	0	0	0	0	0	0 	0 

Career and Training*		2021		2022		2023		2024		2025	
		Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Number of Employees Receiving Training		141	200	152	208	182	239	155	187	189 	259 
Total training hours provided		4,573.7	6,496.2	5,286	7,155	7,485	9,407	5,513	6,737	9,903 	11,960 

PERFORMANCE INDICATORS

SOCIAL PERFORMANCE INDICATORS

EMPLOYMENT

Career and Education	2021	2022	2023	2024	2025
Total training hours per employee	39.5	43.5	53.3	35	48.80 ✓
Female	37	43	59.4	45	52.39 ✓
Male	40.08	41.8	49.51	55	46.17 ✓
Senior Management	11	7.8	32	9	21 ✓
Middle Management	20	28.4	36	22	38.43 ✓

By Type of Training	2021	2022	2023	2024	2025
Total Hours of Environmental Management Training	350	323	361	356	410 ✓
Total Number of Employees Participating in Environmental Management Training	349	323	361	356	410 ✓
Total Time Allocated to Ethics Training	319	322	365	355	411 ✓
Total Time Allocated to Technical and Personal Development Training	11,069.9	12,441	16,891	12,250	21,863 ✓
Total Number of Managers Receiving Anti-Corruption Training	51	64	85	85	88 ✓
Total Number of Employees Receiving Anti-Corruption Training	265	259	301	271	323 ✓
OHS training hours provided – Female	270	298	368	300	696 ✓
OHS training hours provided – Male	444	458	568	352	1,016 ✓

Performance Evaluation**	2021		2022		2023		2024		2025	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Number of Employees Receiving Performance and Personal Development Evaluations	122	176	119	186	136	195	148	200	167 	241 

*When calculating the training data, employees of Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. (PYŞ) are included in the scope in addition to the Bank's employees.

**When calculating the KPI, employees of Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. (PYŞ) and subcontracted employees are included in the scope in addition to the Bank's employees.

PERFORMANCE INDICATORS

SOCIAL PERFORMANCE INDICATORS

OTHER INDICATORS

Procurement Practices	2021	2022	2023	2024	2025
New suppliers screened using social and environmental criteria	–	–	29%	30%	0 
Customer Privacy	2021	2022	2023	2024	2025
Total Number of Substantiated Complaints Concerning Customer Privacy Breaches	0	0	0	0	0 
Other	2021	2022	2023	2024	2025
Total Number of Reported Discrimination Incidents	0	0	0	0	0 
Number of legal actions related to anti-competitive behavior	0	0	0	0	0 
Number of internal complaints	–	–	12	37	14 
Number of external complaints	–	–	25	39	16 
Number of newsletters published	–	–	14	29	23 
Number of jobs supported through projects	–		4,596	1,107	7,453 
Number of Projects Subject to OECD DAC Scoring				2024	2025
DAC 0				0	0 
DAC 1				27	49 
DAC 2				0	0 

PERFORMANCE INDICATORS

ECONOMIC PERFORMANCE INDICATORS

Economic Performance	2021	2022	2023	2024	2025
Direct Economic Value Generated (TRY Thousand)	1,707,185	3,351,648	7,304,770	11,195,673	15,896,891
Economic Value Distributed (TRY Thousand)	-692,162	-1,018,939	-1,663,767	-2,487,548	-2,946,851
FX-Adjusted Loan Growth	13.80%	23.20%	-0.60%	0.07%	8.01%
Loan/Asset Ratio	77.50%	65.90%	62.40%	61.73%	60.78%
Net Fee and Commission Growth	89.70%	76.40%	58.00%	85.24%	-4.26%
Operating Expense Growth	24.70%	113.20%	119.60%	79.91%	31.64%
Net Interest Margin	3.90%	4.10%	6.50%	7.72%	8.49%
Return on Equity	20.20%	31.10%	45.70%	38.18%	33.11%
Return on Assets	2.40%	2.40%	3.60%	4.27%	4.93%
Cost/Income Ratio	11.00%	12.30%	12.40%	14.24%	13.38%
Capital Adequacy Ratio	14.27%	16.66%	16.74%	17.98%	21.85%
Non-Performing Loan Ratio	2.30%	1.50%	1.00%	0.77%	0.46%
Net Cost of Risk	1.90%	1.00%	0.70%	0.80%	0.36%

Procurement Practices	2021	2022	2023	2024	2025
Percentage of local suppliers compared to total suppliers	92%	91%	95%	95%	90.4%
Percentage share of the procurement budget allocated to spending on local suppliers	93%	92%	97%	97%	90.5%

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE NUMBER, REFERENCE AND/OR DIRECT ANSWERS
GRI 1: FOUNDATION 2021		
GRI 2: General Disclosures 2021		
GRI 2: General Disclosures 2021	2-1 Organizational details	63
	2-2 Entities included in the organization's sustainability reporting	7
	2-3 Reporting period, frequency and contact point	7
	2-4 Restatements of information	7
	2-5 External assurance	106
	2-6 Activities, value chain and other business relationships	49
	2-7 Employees	52
	2-8 Workers who are not employees	52
	2-9 Governance structure and composition	64
	2-10 Nomination and selection of the highest governance body	62
	2-11 Chair of the highest governance body	64
	2-12 Role of the highest governance body in overseeing the management of impacts	64
	2-13 Delegation of responsibility for managing impacts	66
	2-14 Role of the highest governance body in sustainability reporting	66
	2-15 Conflicts of interest	76
	2-16 Communication of critical concerns	67
	2-17 Collective knowledge of the highest governance body	64
	2-18 Evaluation of the performance of the highest governance body	52
	2-19 Remuneration policies	69
	2-20 Process to determine remuneration	69
	2-21 Annual total compensation ratio	69
	2-22 Statement on sustainable development strategy	31
	2-23 Policy commitments	33
	2-24 Embedding policy commitments	33
	2-25 Processes to remediate negative impacts	75
	2-26 Mechanisms for seeking advice and raising concerns about ethical and lawful behavior	75
	2-27 Compliance with laws and regulations	41
	2-28 Membership associations	91
	2-29 Approach to stakeholder engagement	35
	2-30 Collective bargaining agreements	76

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE NUMBER, REFERENCE AND/OR DIRECT ANSWERS
GRI 3: Material Topics 2021		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	37
	3-2 List of material topics	37
Customer Relations Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	37
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	75
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	75
Climate Change Mitigation		
GRI 3: Material Topics 2021	3-3 Management of material topics	37
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	77
	305-2 Energy indirect (Scope 2) GHG emissions	77
	305-3 Other indirect (Scope 3) GHG emissions	77
	305-4 GHG emissions intensity	77
	305-5 Reduction of GHG emissions	77
Waste and Hazardous Materials Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	45
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	45
	306-2 Management of significant waste-related impacts	45
	306-3 Waste generated	45
	306-4 Waste diverted from disposal	45
	306-5 Waste directed to disposal	45
Innovation and Automation Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	58

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE NUMBER, REFERENCE AND/OR DIRECT ANSWERS
Anti-Competitive Behavior		
GRI 3: Material Topics 2021	3-3 Management of material topics	76
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	76
Business Continuity Planning		
GRI 3: Material Topics 2021	3-3 Management of material topics	58
Efficient Use of Resources		
GRI 3: Material Topics 2021	3-3 Management of material topics	57
GRI 301: Materials 2016	301-1 Materials used by weight or volume	57
	301-2 Recycled input materials used	57
	301-3 Reclaimed products and their packaging materials	57
Employee Engagement		
GRI 3: Material Topics 2021	3-3 Management of material topics	52
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	52
	404-2 Programs for upgrading employee skills and transition assistance programs	52
	404-3 Percentage of employees receiving regular performance and career development reviews	52
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	52
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	52
	401-3 Parental leave	52
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	54

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GRI STANDARD	DISCLOSURE	PAGE NUMBER, REFERENCE AND/OR DIRECT ANSWERS
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	54
	403-2 Hazard identification, risk assessment, and incident investigation	54
	403-3 Occupational health services	54
	403-4 Worker participation, consultation, and communication on occupational health and safety	54
	403-5 Worker training on occupational health and safety	54
	403-6 Promotion of worker health	54
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	54
	403-8 Workers covered by an occupational health and safety management system	54
	403-9 Work-related injuries	54
	403-10 Work-related ill health	54
Inclusive Growth and Financial Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	49
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	50
	201-2 Financial implications and other risks and opportunities due to climate change	51
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	49
	203-2 Significant indirect economic impacts	50
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	51
Energy Management (Energy Consumption, Electricity Generation)		
GRI 3: Material Topics 2021	3-3 Management of material topics	44
GRI 302: Energy 2016	302-1 Energy consumption within the organization	44
	302-2 Energy consumption outside of the organization	44
	302-3 Energy intensity	44
	302-4 Reduction of energy consumption	44
	302-5 Reductions in energy requirements of products and services	44

MEMBERSHIPS AND COLLABORATIONS

Domestic Association Memberships



International Association Memberships



UNEP–FI RESPONSIBLE BANKING PRINCIPLES REPORTING INDEX

Reporting and Self–Assessment Requirements	Bank's High–Level Response Summary	Reference(s)/Link(s) to the Bank's Full Response/Relevant Information
Principle 1 We will align our business strategy to be consistent with and contribute to individuals’ needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.	Pursuing its activities in line with the United Nations Sustainable Development Goals and Türkiye’s 2053 net-zero emission target, the Türkiye Kalkınma ve Yatırım Bankası (Development and Investment Bank of Türkiye — TKYB) provides comprehensive support to investors through its strong financial infrastructure, qualified human capital and innovative products and services. Within the framework of the 12th Development Plan, the Bank aims to contribute to the country's economic development by prioritizing strategic sectors that reduce import dependency and increase export capacity. In this context, it supports the growth of companies through debt and equity financing, cooperation opportunities and value-adding advisory services, contributing to Türkiye’s structural economic transformation and leading the way toward a broader distribution of capital. TKYB's core mission is to support sustainable development through financing. Thanks to its strong reputation at both the national and international level, the Bank has secured an important position in the business world and the financial sector. Through mergers and acquisitions, capital market instruments and financial advisory services, it facilitates companies’ access to both domestic and international sources of financing, undertaking a leading and guiding role in this area. TKYB's activities and service structure are organized under three main pillars: Project and Corporate Loans, Investment Banking, and the Development Fund of Türkiye. By integrating its strong technical advisory knowledge and experience into investment processes, the Bank delivers value-added support to investors from the project-development stage onward, moving beyond the role of a traditional lender. At the same time, it diversifies its financial services by using investment banking and capital market instruments in line with its sustainability goals, offering them within a holistic structure. Supporting investments in the industrial and tourism sectors under its APEX banking model, the Bank contributes to economic growth by facilitating SMEs’ access to financing. While financing provided to projects in socially-priority areas such as education and health supports social development, environmental sustainability is strengthened through support given to renewable energy and energy efficiency investments. The Bank also provides resources to projects that support green financing and the transition to a low-carbon economy, through the cooperations it has developed with international development finance institutions. In this framework, TKYB undertakes an active role — beyond being merely a provider of direct financing — in channeling international financial resources toward sustainable investments in Türkiye. In particular, climate finance agreements carried out under cooperations established with institutions such as the World Bank, KfW, AFD and the OPEC Fund contribute to the development of low-carbon production infrastructure.	Integrated Report 2025: Overview of Development and Investment Bank of Türkiye Activities of Development and Investment Bank of Türkiye About TKYB

UNEP-FI RESPONSIBLE BANKING PRINCIPLES REPORTING INDEX

Reporting and Self-Assessment Requirements	Bank's High-Level Response Summary	Reference(s)/Link(s) to the Bank's Full Response/Relevant Information
1.2. Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and to contribute to the goals of society, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement and relevant national and regional frameworks.	Türkiye Kalkınma ve Yatırım Bankası (TKYB) has carried out a comprehensive transformation process to align its strategic direction with the United Nations Sustainable Development Goals (SDGs), the Paris Agreement and Türkiye's national development priorities. As part of this process, the Bank's business model, investment priorities and risk management approach have been redesigned within an integrated framework aligned with these global and national goals, and embedded into its operations.	
	As of 2025: The Bank matches all financed projects with the relevant SDGs and prepares annual portfolio analyses based on SDG contribution categories. Investments aligned with Goal 7 (Affordable and Clean Energy), Goal 9 (Industry, Innovation and Infrastructure) and Goal 13 (Climate Action) are given particular priority.	
	The Bank has achieved a major global milestone in sustainability, becoming the first financial institution in the world to have its targets for Scope 1, Scope 2 and investment-related Scope 3 emissions approved under the updated FINZ methodology of the Science Based Targets initiative (SBTi) for the financial sector. To ensure that its emission-reduction targets are grounded in science, the Bank has aligned with the updated SBTi methodology and continues its work in line with the targets it has set under this framework. Within this scope, the Bank aims to achieve a 42% reduction in Scope 1 emissions by 2030, and to neutralize Scope 2 emissions through renewable energy certificates (market-based), maintaining a 100% level in 2030 and 2050. In addition, a 100% reduction target for Scope 1 and Scope 2 emissions has been adopted for 2050.	Integrated Report 2025: Our Effective Stakeholder Communication Effective Corporate Governance
	With respect to emissions arising from its financing activities, TKYB prioritizes supporting a climate-aligned transition within a portfolio-based approach. In this context, the Bank aims to bring 93% of its credit portfolio into climate alignment by 2030, while targeting net-zero alignment across all financed activities by 2050. In line with these targets, the climate impacts of financed projects will be systematically assessed, and the share of low-carbon and sustainable investments within the portfolio will be increased gradually. At the same time, the portfolio's decarbonization pathway will be closely monitored in line with international methodologies and good practices, with the necessary actions taken accordingly.	
	The Bank updates its strategic targets to be consistent with Türkiye's Nationally Determined Contribution (NDC), the Twelfth Development Plan and the Green Reconciliation Action Plan. In this framework, as of 2025 the Bank aims to increase financing volumes in priority areas such as renewable energy, energy efficiency, the integration of climate risks into the financial system, and circular-economy investments. In addition, TKYB quantitatively tracks its contribution to sustainable development by integrating ESG risk assessment mechanisms into its business processes through the UNEP FI Portfolio Impact Analysis Tool. The effective implementation of the defined strategic targets is ensured through strong corporate governance structures.	TKYB Value Creation Model

UNEP-FI RESPONSIBLE BANKING PRINCIPLES REPORTING INDEX

Reporting and Self-Assessment Requirements	Bank's High-Level Response Summary	Reference(s)/Link(s) to the Bank's Full Response/Relevant Information
Principle 2: Impact and Target Setting We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.		
2.1 Impact Analysis: Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfils the following elements: a) Scope: The bank's core business areas, products and services, and the main geographies in which it operates, have been included within the scope of the analysis as described under heading 1.1. b) Scale of Exposure: In identifying its most significant impact areas, the bank has taken into account where its core business activities and main lines of business are concentrated in terms of sectors, technologies and geographies. c) Context & Relevance: Your bank has taken into account the most significant sustainable development challenges and priorities in the countries/regions in which it operates. d) Scale and intensity/salience of impact: In identifying its most significant impact areas, the bank has taken into account the scale and intensity/significance of the (potential) social, economic and environmental impacts arising from its activities and the products and services it provides (Your bank should have engaged with relevant stakeholders to support its analysis under elements c) and d).) Building on this analysis, show that the bank: Has identified and disclosed its most significant (potential) positive and negative impact areas Has identified the strategic business opportunities linked to increasing positive impacts and/or reducing negative impacts.	Carrying out its activities in line with sustainable development goals, Türkiye Kalkınma ve Yatırım Bankası (TKYB) maintains regular engagement with its stakeholders through various communication channels; the feedback obtained from these engagements is taken into account in shaping the Bank's strategic direction. Within this approach, shaped in line with stakeholder priorities, expectations and needs, the Bank analyzes the social, environmental and economic impacts arising both from its own operations and from the projects it finances, using a holistic perspective. As of 2025, the Bank has updated the materiality analysis that guides its sustainability strategy. This analysis was carried out taking into account internal and external stakeholder views, international development trends, sector-based risks and opportunities, and the impacts arising from the Bank's lending and investment activities. The materiality matrix produced as a result of this process has enabled the identification of priority areas with the highest impact potential, in line with TKYB's national development, green transformation and social-impact goals. The identified priority areas are presented below: Circular Economy and Sustainable Development Climate Risk, Scenario Analyses and Net-Zero Alignment Financial Stability and Risk Management Ethics, Business Ethics and Anti-Corruption These identified priority areas shape the Bank's strategic direction and reflect the issues with the highest impact potential in terms of both the positive and negative effects of its activities. In this framework, the Bank comprehensively assesses the impacts arising from both its direct activities and the projects it finances under critical headings such as sustainable finance, climate scenarios, financial resilience and impact management. In addition, these priority issues are regularly monitored, and the findings obtained are systematically integrated into the Bank's strategic decision-making processes. Stakeholder Engagement and Customer Satisfaction Employee Engagement and Talent Management Biodiversity and Sustainable Natural Resource Management Equity, Diversity and Inclusion Digitalization and Information Security These areas are of critical importance to the Bank, particularly in terms of human resources management, customer relations, digital transformation efforts and environmental footprint. In defining the scope of its impact areas, the Bank has taken as its basis its development banking, investment banking and Development Fund of Türkiye activities, and has also included in the assessment process the impacts of projects carried out across Türkiye in related sectors (such as energy, industry, agriculture, health and education). During 2025, the Sustainability Committee held two meetings. At these meetings, assessments were made regarding the Bank's status as an "Adopter" under the Taskforce on Nature-related Financial Disclosures (TNFD), and decisions were taken accordingly regarding reporting processes. In addition, decisions were taken to analyze climate-related risks and opportunities more comprehensively and to elaborate on these efforts within the scope of the Integrated Report. Adopting an approach aligned with the UNEP FI Principles for Responsible Banking and the United Nations Global Compact (UNGC), the Bank does not limit itself to merely measuring its impacts; it also regularly reports on how these impacts are managed and converted into opportunities. A founding member of the Impact Investing Advisory Board (EYDK) and a signatory of the 2022 Operating Principles for Impact Management, TKYB aims to contribute to the development of a strong impact investment ecosystem in Türkiye and to take a leading role in this field. At the same time, through the thematic financing cooperations it carries out with international financial institutions such as the World Bank, JBIC, AIIB and CDB, the Bank strengthens its strategic partnerships aimed at increasing its positive impacts and reducing its potential negative impacts.	Integrated Report 2025: Materiality Analysis and Priority Topics Areas Where Risks and Opportunities are Concentrated by Sector and Asset
We have carried out a materiality analysis and identified our focus areas. We have begun our impact analysis work and will continue to develop it. In this context, through the work we have carried out, we meet the Impact Analysis requirements.		

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Reporting and Self-Assessment Requirements	Bank's High-Level Response Summary	Reference(s)/Link(s) to the Bank's Full Response/Relevant Information
2.2 Target Setting Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the "most significant impact areas" arising from the bank's activities and the products and services it provides. Show that these targets strengthen alignment with, and are contributing further to, the achievement of one or more of the Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline. Show that the bank has analyzed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals, and that it has set out actions to mitigate these as far as feasible in order to maximize the net positive impact of the set targets.	In line with its role in supporting sustainable development, Türkiye Kalkınma ve Yatırım Bankası (TKYB) sets targets that are measurable, time-bound and consistent with societal priorities through the products and services it offers within the scope of its activities. These targets are directly linked to the United Nations Sustainable Development Goals (SDGs), the Paris Agreement and Türkiye's 2053 net-zero emission target, and as of 2024 they are addressed in an integrated manner with the Bank's climate and sustainability strategies. The Bank has achieved a major global milestone in sustainability, becoming the first financial institution in the world to have its targets for Scope 1, Scope 2 and investment-related Scope 3 emissions approved under the updated FINZ methodology of the Science Based Targets initiative (SBTi) for the financial sector. To ensure that its emission-reduction targets are grounded in science, the Bank has aligned with the updated SBTi methodology and continues its work in line with the targets it has set under this framework. Within this scope, the Bank aims to achieve a 42% reduction in Scope 1 emissions by 2030, and to neutralize Scope 2 emissions through renewable energy certificates (market-based), maintaining a 100% level in 2030 and 2050. In addition, a 100% reduction target for Scope 1 and Scope 2 emissions has been adopted for 2050. With respect to emissions arising from its financing activities, TKYB prioritizes supporting a climate-aligned transition within a portfolio-based approach. In this context, the Bank aims to bring 93% of its credit portfolio into climate alignment by 2030, while targeting net-zero alignment across all financed activities by 2050. In line with these targets, the climate impacts of financed projects will be systematically assessed, and the share of low-carbon and sustainable investments within the portfolio will be increased gradually. At the same time, the portfolio's decarbonization pathway will be closely monitored in line with international methodologies and good practices, with the necessary actions taken accordingly.	Integrated Report 2025: Our Direct Mitigation and Adaptation Efforts Financialization of Risks and Opportunities Impact Management and International Alignment ESG-Focused Investments and Financing Metrics and Targets
The targets set within the Bank's focus areas have been presented in the Integrated Report, and the target-setting requirements have thus been fulfilled.		

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2.3 Plans for Target Implementation and Monitoring Show the actions and milestones the bank has defined to meet its set targets. Show that your bank has established means to measure and monitor progress against the set targets. Definitions of key performance indicators, changes in these definitions, and any adjustments to the baseline year should be transparent.	Türkiye Kalkınma ve Yatırım Bankası (TKYB) has defined concrete action plans and measurable milestones to achieve its set sustainability targets. In order to ensure the effective implementation and regular monitoring of these targets, a monitoring and evaluation infrastructure based on performance indicators has been established. Key Performance Indicators (KPIs): TKYB has developed performance indicators to monitor progress against its set targets, and shares these indicators with the public on an annual basis in line with the principle of transparency. These indicators are presented below: • Scope 1, 2 and 3 emissions (base year: 2023) • ESG training hours per employee (≥1.5 hours) • Share of female employees (≥30%) • Share of project sites with biodiversity plans • Share of loans subject to sustainability risk assessment • Amount of financing provided for energy investments • Credit-portfolio distribution by DAC classification (target: DAC 1 ≥ 50%) Monitoring Methods and Transparency: • KPI definitions are reviewed annually to ensure the applicability of the targets, • Base years are updated where necessary. Comparisons between targets and actual performance are presented in tabular format. Through this approach, TKYB quantitatively monitors its contribution to sustainable development goals and analyzes its impacts more comprehensively in light of the findings obtained. In this respect, an impact management approach based on continuous improvement has been adopted.	Integrated Report 2025: Corporate Governance Performance Sustainability Policies and Commitments Impact Management and International Alignment Energy and Emission Management Waste Management Diversity and Inclusion Safe and Healthy Working Environment Stakeholder Capitalism and Transparency Metrics and Targets
The requirements relating to the implementation and monitoring of targets are met through the definition and monitoring of the Bank's activities.		

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2.4 Progress on Implementing Targets For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target. Or explain why actions could not be implemented/needed to be changed and how your bank is adapting its plan to meet the set target. Report on your bank's progress over the last 12 months (or up to 18 months, in the case of a bank's first reporting period after becoming a signatory), on meeting each target and the impact your progress resulted in. (Where feasible and appropriate, banks should also include quantitative disclosures.)	The Bank has achieved a major global milestone in sustainability, becoming the first financial institution in the world to have its targets for Scope 1, Scope 2 and investment-related Scope 3 emissions approved under the updated FINZ methodology of the Science Based Targets initiative (SBTi) for the financial sector. To ensure that its emission-reduction targets are grounded in science, the Bank has aligned with the updated SBTi methodology and continues its work in line with the targets it has set under this framework. Within this scope, the Bank aims to achieve a 42% reduction in Scope 1 emissions by 2030, and to neutralize Scope 2 emissions through renewable energy certificates (market-based), maintaining a 100% level in 2030 and 2050. In addition, a 100% reduction target for Scope 1 and Scope 2 emissions has been adopted for 2050. With respect to emissions arising from its financing activities, TKYB prioritizes supporting a climate-aligned transition within a portfolio-based approach. In this context, the Bank aims to bring 93% of its credit portfolio into climate alignment by 2030, while targeting net-zero alignment across all financed activities by 2050. In line with these targets, the climate impacts of financed projects will be systematically assessed, and the share of low-carbon and sustainable investments within the portfolio will be increased gradually. At the same time, the portfolio's decarbonization pathway will be closely monitored in line with international methodologies and good practices, with the necessary actions taken accordingly. Occupational Health and Safety (OHS) Performance Indicators: In this respect, the core target is zero workplace accidents and a reduction in accident-frequency rates. Indicators related to OHS performance are regularly analyzed, and preventive and corrective action plans are put in place to eliminate identified risks. Share of Loans Subject to Sustainability Risk Assessment: The Bank has established an integrated assessment mechanism to ensure that environmental and social risks are systematically evaluated across all credit-allocation processes. As of 2025, it is observed that these practices have been actively implemented within projects with stakeholder-engagement plans and grievance mechanisms. Increasing the share of ESG investments within the total portfolio has been identified as a strategic priority, and in line with this, the weight of sustainability-focused investments within the portfolio is monitored regularly. The Bank shapes its investment strategy in light of these analyses, aiming to bring its portfolio composition into alignment with its sustainability targets. In this framework, data-collection and evaluation work based on thematic investment analyses was carried out systematically throughout 2025. Sustainability-Themed Bond/Sukuk Issuances: The Bank positions increasing its sustainability-themed bond and sukuk issuances among its strategic priorities. In this respect, market developments and investor expectations are closely monitored, and thematic issuance plans are regularly reviewed. This target plays an important role in diversifying and expanding sustainable financing instruments. Amount of Financing Provided for Energy-Efficiency Investments: The Bank aims to increase the volume of financing provided to energy-efficiency-focused investments. In this context, financing amounts for these investments are monitored annually, and priority is given to projects that contribute to sustainable development. Amount of Financing Provided for Renewable-Energy Investments: The Bank positions increasing its financing for renewable-energy projects among its strategic targets. Work carried out in this direction continued through 2025, with financial resources directed to support the low-carbon energy transition.	Integrated Report 2025: Energy and Emission Management Waste Management Safe and Healthy Working Environment Diversity and Inclusion Employee Development and Wellbeing Stakeholder Capitalism and Transparency Impact Management and International Alignment Investment and Financing Activities Inclusive Growth and Financial Performance Metrics and Targets
Through this report, the Bank's 2025 performance has been shared with all stakeholders, and the progress requirements relating to target setting have been fulfilled.		

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Principle 3: Clients and Customers We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.	Adoption of the Impact Management Principles: As of 2025, the Bank has begun conducting its operations within an impact-focused framework by applying the Impact Management Principles. In this respect, a holistic impact-management approach covering core elements such as strategic direction, corporate structure, portfolio management, exit strategies and independent verification has been adopted. In project-financing operations, the "impact lens" approach is applied to Development Fund of Türkiye applications, shaping the corresponding evaluation and management processes. Sustainability-Themed Credit Portfolio: As of year-end 2025, 96% of the Bank's credit portfolio consists of sustainability-themed loans. These loans are structured to contribute directly or indirectly to all of the United Nations Sustainable Development Goals (SDGs). In extending financing to its customers, the Bank considers not only financial-return elements but also environmental and social impacts, carrying out its credit-allocation processes within a multidimensional assessment framework. 3.1 The Bank's Responsible Relationships with Its Customers Provide an overview of the policies and practices your bank has implemented and/or is planning to implement to promote responsible relationships with its customers. This should include high-level information on any programs and actions implemented (or planned), their scale and, where possible, the results thereof.	Integrated Report 2025: Customer Satisfaction Strong Value Chain Management Investment and Financing Activities
	ESG Risk Assessment Process: The Bank applies a comprehensive screening and assessment mechanism covering Environmental, Social and Governance (ESG) criteria across all its credit-allocation processes. Through this system, sustainability risks relating to applications are analyzed in detail; where necessary, preventive and corrective action plans are put in place to mitigate identified risks. Throughout 2025, systematic monitoring and evaluation work continued to improve the effectiveness of processes relating to grievance mechanisms. In this context, customer feedback and complaints are handled and regularly analyzed within the principles of transparency and accountability. In addition, project-level stakeholder-engagement plans are integrated with social-impact assessment processes to adopt a more holistic approach. Information Security and Customer Data Management: The Bank holds ISO 27001 (Information Security Management System) and ISO 27701 (Privacy Information Management System) certifications, ensuring that customer data is protected in line with international data-security and privacy standards. In this context, effective control mechanisms are applied for the secure processing and storage of data and its protection against unauthorized access.	

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Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.	Türkiye Kalkınma ve Yatırım Bankası (TKYB) regards the cooperations it builds with its customers in the pursuit of its sustainable development goals as a strategic priority. In this respect, the Bank supports the wider adoption of sustainable economic activities through both financing solutions and advisory services, and implements new projects and practices geared toward this aim. Sustainability-Themed Credit Portfolio and Impact Management Approach: As of year-end 2025, 96% of the Bank's total credit portfolio consists of sustainability-themed loans. Through this portfolio, TKYB contributes directly or indirectly to 15 of the 17 United Nations Sustainable Development Goals (SDGs). The impact-management approach has been integrated into the entirety of the credit-assessment processes, with environmental, social and economic impacts taken into account in financing decisions for each customer. Financing of Renewable Energy and Energy Efficiency Projects: In order to contribute to Türkiye's 2053 net-zero emission targets, TKYB plays an active role in financing renewable-energy investments. In this context, the Bank has financed 6.6% of the country's renewable-energy projects; through the support provided to hydroelectric, solar, wind, biomass and geothermal projects, it has contributed to the avoidance of a total of 3.9 million tons of CO₂ emissions. As of 2024, 56% of the Bank's total credit portfolio has been allocated to renewable energy and energy-efficiency projects. Sustainable Financing Through International Cooperations: Within cooperations it has developed with international financial institutions such as the World Bank, JBIC, AIIB and the China Development Bank, TKYB offers its customers sustainability-themed financing solutions. In addition, through work carried out with the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), the green-transformation processes of businesses operating in Türkiye are supported, and sustainable-financing opportunities are expanded. Capacity Building and Advisory Support: To support its customers' transition to sustainable business models, the Bank offers advisory services, access to sustainable financing, training programs and project-development support. In addition, in order to strengthen technical capacity in the field of sustainability, training and awareness-raising programs are organized both internally and for stakeholders, and various activities that support knowledge sharing are implemented. The Bank has achieved a major global milestone in sustainability, becoming the first financial institution in the world to have its targets for Scope 1, Scope 2 and investment-related Scope 3 emissions approved under the updated FINZ methodology of the Science Based Targets initiative (SBTi) for the financial sector. To ensure that its emission-reduction targets are grounded in science, the Bank has aligned with the updated SBTi methodology and continues its work in line with the targets it has set under this framework. Within this scope, the Bank aims to achieve a 42% reduction in Scope 1 emissions by 2030, and to neutralize Scope 2 emissions through renewable energy certificates (market-based), maintaining a 100% level in 2030 and 2050. In addition, a 100% reduction target for Scope 1 and Scope 2 emissions has been adopted for 2050. With respect to emissions arising from its financing activities, TKYB prioritizes supporting a climate-aligned transition within a portfolio-based approach. In this context, the Bank aims to bring 93% of its credit portfolio into climate alignment by 2030, while targeting net-zero alignment across all financed activities by 2050. In line with these targets, the climate impacts of financed projects will be systematically assessed, and the share of low-carbon and sustainable investments within the portfolio will be increased gradually. At the same time, the portfolio's decarbonization pathway will be closely monitored in line with international methodologies and good practices, with the necessary actions taken accordingly.	Integrated Report 2025: Our Effective Stakeholder Communication Stakeholder Capitalism and Transparency Impact Management and International Alignment

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4.1 Describe which stakeholders (or groups/ types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.	Adopting an approach aligned with the Impact Management Principles, Türkiye Kalkınma ve Yatırım Bankası (TKYB) places its stakeholders at the center of its value-creation approach in pursuing its sustainable development goals. In this respect, the Bank aims to maximize the social, environmental and economic impacts of its activities, and maintains a regular, systematic and multi-channel engagement mechanism with different stakeholder groups for this purpose. In identifying and prioritizing its stakeholders, TKYB takes as its main criteria the extent to which stakeholders are affected by the Bank's activities and their capacity to influence those activities. In this framework, stakeholders are classified in line with strategic priorities and cover a wide range, including employees, customers, investors, international financial institutions, public authorities, civil society organizations (CSOs), regulatory and supervisory bodies, academia and suppliers. Consultation and Engagement Processes The Bank manages its relationships with stakeholders in line with the principles of transparency, mutual value creation and continuous dialogue. The main activities carried out during 2025 in this respect are summarized below: • Feedback from customers on sustainable-lending criteria, ESG (Environmental, Social and Governance) assessment processes and grievance mechanisms was systematically collected. • Cooperations were developed with international financial institutions (such as the AIB, EBRD and JBIC) in the field of sustainable financing; financing agreements were signed, and technical-support projects were implemented. • Joint work was carried out with public institutions (such as the Ministry of Treasury and Finance and the Ministry of Environment, Urbanization and Climate Change) on sustainable development financing models. • Knowledge-sharing and cooperation activities were carried out with civil society organizations in areas such as mitigating environmental and social risks, promoting gender equality and increasing transparency. • Engagement with employees was strengthened through communication platforms, surveys and training programs; employee views and expectations were integrated into performance-evaluation and decision-making processes. Sustainable Development Academy Established by Türkiye Kalkınma ve Yatırım Bankası to strengthen knowledge in the field of sustainability, develop cooperation between academia and business, and create a shared area of impact toward sustainable development goals, the Sustainable Development Academy was set up in 2023 as a structure integrated with the Bank's corporate sustainability strategy. The main outputs of this project, which gained momentum in 2024, began to be realized in 2025, and it has become visibly clear that stakeholders are obtaining concrete outcomes from this project. The Academy aims to increase knowledge sharing among the public sector, private sector, universities and civil society organizations, to develop applicable sustainability policies, and to contribute to Türkiye's net-zero transition process. In this context, comprehensive training and joint working programs are being carried out on topics such as climate change, circular economy, sustainable finance, carbon and water footprint, social-impact management, ESG assessment processes, gender equality and sustainability reporting. Cooperation protocols have been signed with numerous universities within the Academy, led by Istanbul Technical University, Yıldız Technical University, Boğaziçi University, Marmara University, Okan University, Bahçeşehir University, TED University and Middle East Technical University, creating an interdisciplinary learning and impact ecosystem in the field of sustainable development. As of 2025, the Sustainable Development Academy has significantly expanded its activities, reaching a broad area of impact through training and workshop programs for university students, academics, bank employees, sector representatives and various stakeholder groups. Sustainability training delivered to Okan University students comprehensively covered modules such as the dimensions and management of sustainability, greenhouse gases and climate change, carbon and water footprint concepts, social-impact assessment and corporate social responsibility. At workshops organized in cooperation with the Participation Banks Association of Türkiye, environmental and social risk-assessment processes were conveyed through practical case studies, while internal training programs on women's empowerment, sustainable financing and ESG awareness were also expanded. The Academy has also taken an active role in multi-stakeholder projects aimed at strengthening young people's competencies in sustainability, through initiatives such as the Digital Development Academy program, the Green Taxonomy Working Group, sustainability and circular-economy summits, and the Marmara Impactthon. In addition to all these projects, requests, demands, cooperation proposals and knowledge-transfer requests received from stakeholders have been evaluated, and no stakeholder has been left without a response, reflecting a development-banking mindset toward the sector's growth that has been demonstrated to all stakeholders. Under the program, participation reached over 50 people in 2024, rising to over 1,000 in 2025; for 2026, reach to over 2,500 participants is targeted. The impact created by the Academy — combined with the Bank's strong institutional approach in sustainability, its integrated reporting and its environmental-social impact management work — has also been recognized with various awards at both the national and international level. Results and Impacts Achieved Through the stakeholder engagements carried out, TKYB has achieved the following results: • Credit-structuring practices based on impact-focused criteria have been strengthened. • In line with stakeholder feedback, grievance mechanisms and ESG (Environmental, Social and Governance) screening processes have been improved. • New tools and methodologies have been developed to monitor the portfolio's carbon footprint and to track social impacts.	Integrated Report 2025: Our Effective Stakeholder Communication Impact Management and International Alignment

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Principle 5: Governance and Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking.	Governance Structure, Policies and Procedures Türkiye Kalkınma ve Yatırım Bankası (TKYB) continuously strengthens its corporate governance framework in order to support investments that contribute to sustainable development and to effectively manage the social, environmental and economic impacts of these investments.	
	Governance Structure: At TKYB, sustainability management is carried out by the Sustainability Committee, which operates under the direct oversight of senior management. The Committee is responsible for implementing the Bank's sustainability strategies, monitoring set targets, and coordinating policy updates.	
	Working groups formed within the Committee, comprising representatives from different business units, focus on critical areas such as impact management, environmental and social risk assessment, stakeholder engagement and sustainable financing, supporting the effective execution of these processes.	
	Policies and Strategies: The Bank's activities are carried out within the framework of comprehensive policy documents drawn up in line with its sustainability principles and targets.	
	Environmental and Social Policy: The Bank adopts a framework for the identification, prevention and mitigation of the direct and indirect environmental and social impacts that may arise across all of its activities.	
	Climate Change Mitigation and Adaptation Policy: The Bank sets targets for measuring, monitoring and reducing the greenhouse-gas emissions arising from its activities, aiming in this way to contribute to Türkiye's net-zero emission vision.	Integrated Report 2025:
	Environmental and Social Risk Assessment Procedure in Lending Processes: The Bank requires a comprehensive assessment of ESG (Environmental, Social and Governance) risks across all of its lending processes.	Sustainability and Risk Governance Structure
	Organizational Structure and Operational Procedures: Under the Integrated Management System put in place in 2021, quality, environmental and occupational health and safety management processes are carried out across the entire Bank on the basis of shared responsibility. Through this structure, the related processes are managed with a holistic approach at the corporate level.	Corporate Governance Performance
	In addition, a Sustainability and Environmental-Social Impact Management Unit has been established, which is responsible for preparing Environmental and Social Risk Assessment reports across all credit-evaluation processes and for the effective execution of related processes.	Sustainability Committee
	As of 2025, this unit has carried out impact analyses for 184 projects .	
5.1 Describe the relevant governance structures, policies and procedures your bank has in place and/or is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles.	Reporting, Performance Monitoring and Continuous Improvement: The Bank's greenhouse-gas emission data is subject to independent verification each year and voluntarily reported under the CDP Climate Change Programme. ESG (Environmental, Social and Governance) assessments have been fully integrated into credit-allocation processes, and as of 2025 the entire credit portfolio has undergone ESG screening.	Impact Management and International Alignment
	Performance indicators relating to the Bank's corporate sustainability targets are regularly monitored and updated. In this context, indicators such as achieving reductions in Scope 1 and 2 emissions and increasing the share of loans subject to ESG assessment within the total portfolio are tracked as priorities. The Bank analyzes the performance results obtained and continues to improve its processes in line with a continuous-improvement approach.	
	Certifications and Alignment with International Standards: TKYB's Integrated Management System is aligned with the following international standards: • ISO 9001 – Quality Management System • ISO 14001 – Environmental Management System • ISO 45001 – Occupational Health and Safety Management System • ISO 27001 – Information Security Management System • ISO 27701 – Personal Data and Information Privacy Management System • ISO 10002 – Customer Satisfaction Management System These certifications demonstrate the Bank's commitment to its sustainability principles and its application of internationally recognized corporate governance standards.	

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5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This description should include a comprehensive overview of elements such as capacity building, remuneration structure, performance management and leadership communication	Türkiye Kalkınma ve Yatırım Bankası (TKYB) regards the effective implementation of responsible banking principles across the organization, and the strengthening of the corporate culture in this respect, among its strategic priorities. In this context, the Bank has implemented holistic policies and practices covering ethical values, leadership development and employee engagement.	
	Ethical Culture and Compliance Management: The Ethics Commission, which operates actively within TKYB, ensures that ethical culture is disseminated at the corporate level. All employees are expected to comply with the Code of Ethics and the Banking Ethics Principles of the Banks Association of Türkiye. In this respect, employees sign the regularly updated “Ethics, Compliance, Information Security, Data Privacy and Confidentiality Undertaking”.	
	In addition, an Ethics Hotline mechanism has been established, enabling employees to report unethical conduct directly to senior management. The Bank further strengthens transparency and accountability principles within the framework of its “Anti-Money Laundering and Combating the Financing of Terrorism” and “Conflict of Interest” policies.	Integrated Report 2025:
	Performance and Remuneration Structure: Human-resources processes at the Bank are carried out on a merit basis, with employee performance evaluated within a structured system based on competencies, targets and outcomes achieved. Performance-evaluation processes are carried out by managers in such a way as to ensure regular and transparent feedback to employees.	Employee Development and Wellbeing Safe and Healthy Working Environment
	The remuneration policy is built on the principles of “equal pay for equal work” and performance-based remuneration. The Remuneration Committee and the Human Resources Department are responsible for updating, implementing and effectively supervising the remuneration system.	Remuneration
	Training, Development and Leadership Programs: The Bank adopts a strategic training and development approach covering all employees under its Training Management Procedure.	Bank Employees
	As of 2025, 448 employees received a total of 21,863 hours of training, corresponding to an average of 48.8 hours per person.	Internal Audit
	Training content covers topics such as environmental management, occupational health and safety (OHS), ethics, anti-corruption, technical-competency development and personal development. Training programs are delivered through a hybrid model combining online and face-to-face methods; dedicated Leadership Development Programs are offered to managers.	Environmental and Social Risk Management
	In 2025, senior management received an average of 1 hour of training, while middle management received an average of 21 hours.	
	In addition, discount agreements have been arranged with universities for employees pursuing master’s and doctoral programs, and these opportunities have been announced across the organization.	
	Access to Information and Internal Communication: The Bank provides relevant units with dedicated magazine and database subscriptions to facilitate employees’ access to information. These practices support employees in acting in line with the corporate vision, embracing responsible banking principles, and contributing effectively to the Bank’s sustainability targets.	

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5.3 Governance Structure for Implementation of the Governance and Culture Principle Show that the Bank has a governance structure in place for the implementation of the Principles for Responsible Banking: These actions should include the following topics as well: a) Setting targets and undertaking actions to achieve the targets set b) Undertaking corrective actions in the event targets or milestones are not achieved or unexpected negative impacts are detected	Türkiye Kalkınma ve Yatırım Bankası (TKYB) has established a strong, transparent and institutionalized governance structure to ensure the effective implementation of the Principles for Responsible Banking. This structure enables the setting, monitoring and regular review of targets, and supports the implementation of corrective actions where necessary.	Integrated Report 2025:
	Strategic Governance Structure and Coordination Mechanism: At Board of Directors level, relevant policies and practices are developed for the formulation of sustainability strategies and for strengthening the corporate governance principles of fairness, transparency, accountability and responsibility.	Sustainability and Risk Governance Structure
	The Ethics Commission, for its part, is responsible for ensuring compliance with responsible banking principles, monitoring ethical conduct, and overseeing the effectiveness of internal control mechanisms.	Sustainability Committee
	Operating since 2021, the Sustainability Committee is responsible for shaping the Bank's sustainability strategies, carrying out policy-development processes, and effectively integrating these policies into operations. The Committee works in coordination with relevant business units and meets at least twice a year to assess sustainability performance and developments.	Internal Audit
	The Sustainability Working Group operating under the Committee, for its part, takes an active role in technical analyses, data collection, target monitoring and the execution of reporting processes.	Bank Employees
	Target Setting and Implementation of Actions (a): TKYB sets short-, medium- and long-term targets in order to support sustainable development and mitigate environmental and social risks. In line with these targets, the Bank structures its investment loans, APEX loans and technical-support programs in a manner consistent with responsible banking principles.	Corporate Governance Performance
	Progress toward set targets is monitored annually and evaluated regularly. In this context, as of 2025, the share of sustainability-themed loans within the total credit portfolio is targeted to reach 96%.	Impact Management and International Alignment
	In addition, TKYB defines measurable performance indicators in areas such as reducing its carbon footprint, increasing renewable-energy financing, and supporting the career development of female employees.	Energy and Emission Management
	Deviations, Risks and Corrective Actions (b): In cases where set targets are not achieved or unforeseen negative impacts occur, the corrective and preventive actions defined under the TKYB Integrated Management System are activated.	Reporting Boundaries and Emission
	As of 2025, the Bank has strengthened its corporate awareness and oversight capacity by extending Environmental Management System practices across the entire organization. In line with monitoring and evaluation results, policy updates are made, processes are restructured, and relevant units and committees are regularly informed.	Measurement Approach
Where deemed necessary, external advisory services are utilized; processes are reassessed through internal-audit mechanisms, and continuous-improvement efforts are carried out.		Metrics and Targets
The Bank fulfils the governance-structure requirements for implementing the Principles through its existing governance structure and the measures taken to strengthen and make this structure more effective.		

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Principle 6: Transparency and Accountability We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.	Türkiye Kalkınma ve Yatırım Bankası (TKYB) has made significant progress in implementing the UNEP FI Principles for Responsible Banking as of 2025. In line with the principles of transparency and accountability, the Bank has improved its target-setting and implementation processes, while at the same time strengthening its corporate capacity and increasing its alignment with international best practices. Progress in Target Setting and Implementation a) Sustainable Finance Portfolio and Impact Management: As of year-end 2025, 96% of TKYB's total credit portfolio consists of sustainability-themed financing. Within this scope, a credit volume of approximately USD 2.8 billion has been directed in line with the United Nations Sustainable Development Goals (SDGs); the Bank has contributed directly or indirectly to 15 of the 17 goals. Renewable-energy projects financed by the Bank have contributed to avoiding approximately 3.9 million tons of CO₂ emissions. This work has been carried out within integrated processes for managing project-based environmental and social impacts, adopting an approach aligned with the Impact Management Principles. b) Transparent Reporting and Assurance Processes: The Integrated Report 2025 has been prepared in full alignment with the GRI Standards, the International Integrated Reporting (<IR>) Framework and the UNEP FI Principles. The report has been subject to limited independent assurance and covers core environmental and social performance indicators. In addition, the Bank continues its voluntary reporting activities under the CDP Climate Change Programme, disclosing its climate performance transparently on an international platform. Alignment with International and Regional Best Practices: TKYB continues to conduct its activities in line with the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement, strengthening its contribution to sustainable development goals in line with international best practices. Among the SDGs it prioritizes are SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 13 (Climate Action) and SDG 17 (Partnerships for the Goals). The Bank also integrates global frameworks such as CDP, the Operating Principles for Impact Management, the IFRS Sustainability Standards and GRI into its policy-development processes. Major Developments in 2025: • The Women's Empowerment Technical Support Programme carried out in cooperation with TKYB and AFD has been completed. • The fourth edition of the Allocation and Impact Report, prepared for Türkiye's first Sustainable Eurobond issued in 2022, has been published by Türkiye Kalkınma ve Yatırım Bankası (TKYB). • As of year-end 2025, the sustainability-themed credit portfolio constitutes 96% of the total portfolio. The climate-related SDG ratio is 56%. • As of year-end 2025, the Bank has financed renewable-energy projects with a total installed capacity of 3,475 MW, representing a 6.6% share of Türkiye's renewable-energy projects. The financed projects have supported the reduction of a total of 3.9 million tons of CO₂ emissions. • The Bank has become a member of the "Social Investment" and "Gender Equality & Women's Empowerment in Development Banks" coalitions under the Finance in Common coalitions. • A B score was obtained in the Carbon Disclosure Project (CDP) 2025 program. • A Green Taxonomy Sub-Working Group was established under the leadership of SKD Türkiye and our Bank, and the "Green Taxonomy Workshop" was held at Boğaziçi University. The related report was shared with the Ministry of Environment. • The validation process for our SBTi targets has been successfully completed, and approval has been obtained from SBTi. • Our Environmental and Social Policy and Procedure has been comprehensively reviewed to also cover new practices and was republished in December 2025. • The Bank is the first bank in Türkiye to achieve Adopter status under the Taskforce on Nature-related Financial Disclosures (TNFD). • The Bank has won the 2025 Sustainable Finance Awards – Best Development Bank for Sustainable Finance in Central & Eastern Europe award. • At the Turkish Corporate Social Responsibility Association's 2025 – 16th Awards for Value-Adding Sustainability, the Bank won a silver award and a special award for its Scope 1-2-3 emission project measured with the PCAF methodology and for its PCAF project that financializes our carbon emissions, and a gold award for its work on "Diversity, Equity and Inclusion" measured with the OECD Gender Equality Index. • Our Bank's TSRS-Compliant Sustainability and Integrated Report won the platinum award in the category of "Asia's Best Integrated Report" at the Asia Integrated Reporting Awards 2025. • The Best Corporate Governance Award (UNGC Partnership for Sustainability Award) was won from the UN Global Compact. • The "Best Green Initiatives in the Banking Industry" award, given by The Global Economics Awards, was won. • At the Sustainable Business Awards 2025, the "Carbon Management and Net Zero: Scope 3" award was won. Priorities and New Targets: In line with its net-zero emission target, TKYB continues its commitment to becoming a carbon-neutral bank by 2050. In this context, the Bank aims to increase the share of financial products based on sustainability performance within its portfolio; at the same time, it plans to develop a stakeholder-focused platform to strengthen impact communication through sustainability data. These initiatives reflect the progress the Bank has made across its six impact areas, and contribute to strengthening alignment with international best practices within the scope of responsible banking practices.	Integrated Report 2025: Alignment with the Turkish Sustainability Reporting Standards (TSRS) Reporting Boundaries and Emission Measurement Approach Impact Management and International Alignment Energy and Emission Management Waste Management Water Management
TKYB fulfils the requirements relating to progress in implementing the Principles for Responsible Banking.		

WOMEN’S EMPOWERMENT PRINCIPLES (WEPS) INDEX

PRINCIPLES	RELEVANT SECTION IN THE REPORT
Principle 1 – Establish high-level corporate leadership for gender equality	Career and Performance Management
Principle 2 – Treat all women and men fairly at work – respect and support human rights and non-discrimination	Diversity and Inclusion Business Ethics and Legal Compliance
Principle 3 – Ensure the health, safety and well-being of all women and men workers	Safe and Healthy Work Environment
Principle 4 – Promote education, training and professional development for women	Career and Performance Management
Principle 5 – Implement enterprise development, supply chain and marketing practices that empower women	Strong Value Chain Management Career and Performance Management
Principle 6 – Promote equality through community initiatives and advocacy	Diversity and Inclusion Social Responsibility and Contribution
Principle 7 – Measure and publicly report on progress to achieve gender equality	Performance Indicators Diversity and Inclusion Career and Performance Management

INDEPENDENT ASSURANCE REPORT



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(Convenience Translation of Auditor's Limited Assurance Report Originally Issued in Turkish)

Independent Assurance Report

To The Board of Directors of Türkiye Kalkınma ve Yatırım Bankası
Anonim Şirketi
İstanbul, Türkiye

This report is intended solely for the Board of Directors of Türkiye Kalkınma ve Yatırım Bankası Anonim Şirketi (hereinafter "Türkiye Kalkınma ve Yatırım Bankası") for the purpose of reporting of Selected ESG Information ("Selected Information") listed below in its Integrated Report 2025 (hereinafter "Report") that has been prepared by Türkiye Kalkınma ve Yatırım Bankası Anonim Şirketi for the period running from January 1, 2025, to December 31, 2025.

Subject Matter Information and Applicable Criteria

In line with the request of the Türkiye Kalkınma ve Yatırım Bankası, our responsibility is to provide limited assurance for the Selected Information listed below within the scope of Environmental Performance Indicators, Financial and Operational Performance Indicators and Social Performance Indicators in the Annex section of the Sustainability Report prepared in accordance with the Global Reporting Initiative Standards ("GRI Standards").

The Scope of Our Assurance

The scope of our assurance is limited to the examination of the Selected Information prepared as of December 31, 2025, which is shown below and reported in 2025 Sustainability Report.

Environmental Performance Indicators

- Electricity consumption (kWh)
 - Electricity intensity (kWh/m²)
 - Natural gas consumption (m³)
 - Natural gas intensity (m³/m²)
 - Stationary combustion-Diesel (Generator) (L)
 - Mobile combustion-Diesel (L)
 - Mobile combustion-Gasoline (L)
 - Bank-owned vehicle fuel consumption - Diesel (L)
 - Bank-owned vehicle fuel consumption - Gasoline (L)
- Total water consumption (m³)
- Water Intensity (m³/employee)
- Scope 1 greenhouse gas emission (tons CO₂e)
- Scope 2 greenhouse gas emission (tons CO₂e)
- Scope 1 + Scope 2 greenhouse gas emission (tons CO₂e)
- Scope 3 greenhouse gas emission (Excluding Portfolio emissions) (tons CO₂e)
- Scope 3 - Category 15 greenhouse gas emission (tons CO₂e)
- Scope 3 - Total Greenhouse Gas Emissions (tons CO₂e)
- Total Greenhouse Gas Emissions Scope 1-2-3 (Excluding Portfolio Emissions) (tons CO₂e)
- Total Greenhouse Gas Emissions Scope 1-2-3 (tons CO₂e)
- Greenhouse gas emission intensity (tons CO₂e/employee)
- Total amount of waste (kg)

Financial and Operational Performance Indicators

- Installed capacity of renewable energy projects financed (MWh)
- The share of TKYB in Turkey's renewable energy capacity (%)
- The ratio of SDG-related loans to the total portfolio (%)
- The amount of SDG-linked loans utilized
- The percentage of the climate and environment-related SDG linked loan portfolio to the total portfolio (%)
- The number of Projects Subject to Environmental and Social Risk Assessment
- Environmental and Social Risk Ratings of Assessed Projects
 - A (High Risk)
 - B+ (Medium-High Risk)

- B+ (Medium Risk)
- C (Low Risk)
- Total
- The amount of financing provided to renewable energy
- The Annual tCO₂ Emissions Avoided through Financed Renewable Energy Projects

Social Performance Indicators

- Total Number of Full-Time Employees
 - Female
 - Female Senior Management
 - Female Middle Management
- Number of Contracted/Subcontractor Employees
- Number of Employees with Disabilities
- Number of Employees with 0-5 Years of Service - Total
- Number of Employees with 0-5 Years of Service - Female
- Number of Employees with 0-5 Years of Service - Male
- Number of Employees with 5-10 Years of Service - Total
- Number of Employees with 5-10 Years of Service - Female
- Number of Employees with 5-10 Years of Service - Male
- Number of Employees with 10+ Years of Service - Total
- Number of Employees with 10+ Years of Service - Female
- Number of Employees with 10+ Years of Service - Male
- Total Number of New Hires
- Number of Male New Hires
- Number of Female New Hires
- Male Hiring Rate
- Female Hiring Rate
- Total Number of Employee Departures
- Number of Female Employee Departures
- Number of Male Employee Departures
- Employee Turnover Rate
- Number of Employees Taking Parental Leave
- Female
- Male
- Number of Employees Returning to Work After Parental Leave
- Number of Employees Receiving Training
- Total Training Hours Provided
- Training Hours per Employee
- Female
- Male
- Senior Management
- Middle Management
- Total Hours of Environmental Management Training
- Total Number of Employees Participating in Environmental Management Training
- Total Time Allocated to Ethics Training
- Total Time Allocated to Technical and Personal Development Training
- Total Number of Managers Receiving Anti-Corruption Training
- Total Number of Employees Receiving Anti-Corruption Training
- Occupational Health and Safety (OHS) Training Hours Provided - Female
- Occupational Health and Safety (OHS) Training Hours Provided - Male
- Number of Employees Receiving Performance and Personal Development Evaluations
- New Suppliers Screened Using Social and Environmental Criteria
- Total Number of Substantiated Complaints Concerning Customer Privacy Breaches
- Total Number of Reported Discrimination Incidents

- Number of Legal Actions Related to Anti-Competitive Behavior
- Number of Internal Complaints
- Number of External Complaints
- Number of Newsletters Published
- Number of Jobs Supported Through Projects
- Number of Projects Subject to OECD DAC Scoring (2025)
 - DAC 0
 - DAC 1
 - DAC 2

Occupational Health and Safety Performance Indicators

- Number of Accidents
- Number of Work-Related Fatalities
- Number of High-Consequence Work-Related Injuries (Excluding Fatalities)
- Rate of High-Consequence Work-Related Injuries (Excluding Fatalities)
- Injury Rate (IR)
- Lost Day Rate (LDR)
- Absenteeism Due to Accidents
- Absenteeism Rate (AR)
- Occupational Disease Rate (ODR)

Türkiye Kalkınma ve Yatırım Bankası's Responsibilities

Türkiye Kalkınma ve Yatırım Bankası's management is responsible for the preparation, collection, and presentation of the information for the Selected Information. In addition, Türkiye Kalkınma ve Yatırım Bankası's management is responsible for ensuring that the documentation provided to the practitioner (EY) is complete and accurate. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Report, such that it is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We conducted our assurance engagement in accordance with the Assurance Engagement Standard (AES) 3000 and 3410 which is a part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). These regulations require that we comply with the ethical standards and plan and perform our assurance engagement to obtain limited assurance about the Selected Information.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies the International Standard on Quality Control 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.

Procedures performed 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. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

The procedures selected depend on the practitioner's judgment. The procedures include inquiry of the personnel responsible for collecting and reporting on the Selected Information and additional procedures aimed at obtaining evidence about the Selected Information.

Procedures Applied

In respect of the Selected Information mentioned above the procedures performed include the following procedures:

- Interviewed select key senior personnel of Türkiye Kalkınma ve Yatırım Bankası to understand the current processes in place for capturing the Selected Information pertaining to the reporting period;
- Reviewed Selected Information through online and face to face interviews with personnel at Türkiye Kalkınma ve Yatırım Bankası's domestic and international locations, as well as through other available documentation for Türkiye Kalkınma ve Yatırım Bankası's other locations in Türkiye, against evidence, on a sample basis;
- Undertook substantive testing, on a sample basis, of the Selected Information;
- Used Türkiye Kalkınma ve Yatırım Bankası's internal documentation to evaluate and measure the Selected Information;
- Evaluated the design and implementation of key processes and controls over the Selected Information;
- Re-performed, on a sample basis, calculations used to prepare the Selected Information for the reporting period.
- Evaluated the disclosure and presentation of the Selected Information in the Report.

Our Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that Selected Information for the year ended in December 31, 2025, has not been prepared, in all material respects in line with GRI Standards.

Limitations

We permit this report to be disclosed in addition to Türkiye Kalkınma ve Yatırım Bankası's Report for the year ended on December 31, 2025; to enable the management of to Türkiye Kalkınma ve Yatırım Bankası Anonim Şirketi to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than to Türkiye Kalkınma ve Yatırım Bankası Anonim Şirketi for our work, for this independent limited assurance report, or for the conclusions we have reached.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik
Anonim Şirketi
A member firm of Ernst & Young Global Limited



Aykhan Üsentil, SMMM
Partner

24 July 2026
İstanbul, Türkiye

DEVELOPMENT AND INVESTMENT BANK OF TÜRKİYE

**TSRS-COMPLIANT
SUSTAINABILITY REPORT 2025**



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OVERVIEW

About the Türkiye Sustainability Reporting Standards

The Türkiye Sustainability Reporting Standards (TSRS) establish the national framework for presenting sustainability-related disclosures in a disciplined, measurable, and comparable manner, consistent with the principles applied in financial reporting. The TSRS are based on the sustainability reporting framework developed by the International Sustainability Standards Board (ISSB) under the International Financial Reporting Standards (IFRS) Foundation. Accordingly, IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 – Climate-related Disclosures, issued by the ISSB in 2023, require entities to disclose sustainability-related risks and opportunities that could reasonably be expected to affect their value creation capacity and to provide decision-useful information for investors and other participants in the financial markets.

The TSRS approach recognizes that sustainability reporting should not merely be a narrative describing sustainability-related activities; rather, it should constitute a system that can be read together with an organization's strategic direction, risk appetite, governance capacity, and performance management framework. Accordingly, the standards require organizations to disclose sustainability-related matters in a structured manner covering governance oversight, strategic planning, integration into risk management processes, and monitoring through metrics and targets. This enables stakeholders to assess, in a more systematic manner, the extent to which sustainability considerations are embedded in decision-making processes and the likely effects such considerations may have on an organization's financial performance.

The implementation of TSRS in Türkiye not only supports consistency in reporting terminology and presentation but also requires organizations to strengthen their data infrastructure, internal control systems, and distribution of organizational responsibilities. In this respect, TSRS should be regarded not merely as a reporting requirement but as a transformation framework designed to integrate sustainability management into corporate processes while enhancing the reliability and credibility of sustainability-related disclosures.



OVERVIEW



ABOUT THE REPORT

This report presents the environmental, social, and governance (ESG) performance and sustainability practices of Türkiye Kalkınma ve Yatırım Bankası A.Ş. (Parent Bank) and its subsidiaries in accordance with the Türkiye Sustainability Reporting Standards (TSRS). This is the Parent Bank's second Sustainability Report prepared under the TSRS framework. The report aims to present the Parent Bank's sustainability approach in a transparent, comprehensive, and decision-useful manner. In this context, it provides an integrated overview of the Parent Bank's long-term sustainable finance vision, climate-aligned transformation objectives, and responses to stakeholder expectations.

The report is intended to present the Parent Bank's sustainability approach through a transparent and holistic perspective while serving as a practical reference for decision-makers. It also brings together the Parent Bank's long-term sustainable finance vision, climate transition objectives, and responses to stakeholder expectations within a single integrated narrative.

Within this framework, the report provides detailed information on the Parent Bank's sustainability strategy and corporate governance structure. It comprehensively addresses climate-related risks and opportunities together with the Parent Bank's targets and performance indicators. In addition, the environmental and social impacts arising from the Parent Bank's business model and value chain are assessed, while the actions undertaken to ensure compliance and continuous improvement in these areas are also presented. The disclosures required under the TSRS have been prepared in accordance with the relevant provisions of the standards, ensuring consistency between financial and non-financial information and supporting an integrated reporting approach.

Throughout the reporting process, stakeholder expectations and regulatory requirements were taken into consideration, while sustainability best practices served as reference points. Accordingly, enhancing data quality, ensuring the verifiability of information, and strengthening accountability were established as key priorities throughout the reporting process.

OVERVIEW

REPORTING SCOPE AND METHODOLOGY

This report has been prepared in accordance with the Türkiye Sustainability Reporting Standards (TSRS) framework, which entered into force following its publication in the Official Gazette No. 32414 dated 29 December 2023. The report has been prepared in compliance with TSRS 1 – General Requirements for Disclosure of Sustainability-related Financial Information and TSRS 2 – Climate-related Disclosures, issued by the Public Oversight, Accounting and Auditing Standards Authority (POA). It aims to fulfill the Group's obligation to provide transparent and comparable disclosures regarding sustainability-related and climate-related risks and opportunities. In preparing the report, the requirements of TSRS 1 and TSRS 2, together with the applicable transitional relief provisions, have been taken into consideration. Sustainability-related disclosures are structured under four core pillars – governance, strategy, risk management, and metrics and targets – prescribed by the standards.

The financial information presented in this report is expressed in Turkish Lira (TRY) and has been prepared in line with the Parent Bank's 2025 BRSA financial statements, while also taking into consideration the IFRS consolidation principles.

The metrics and key assumptions applied throughout the report are explained in the relevant sections. The calculations are based on reasonable estimates that consider uncertainties associated with greenhouse gas emissions calculations as well as critical short-, medium-, and long-term parameters derived from climate scenario analyses. Climate-related financial disclosures are based on the same datasets and assumptions used in the Parent Bank's 2025 financial reporting. Non-financial information has been compiled from reasonable and verifiable sources that are directly linked to the Parent Bank's sustainability performance. A limited assurance engagement for this report was performed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., a member firm of Ernst & Young Global Limited (EY).

For any questions or feedback regarding this report, please contact us at:

TKYBsurdurulebilirlik@kalkinma.com.tr



OVERVIEW

GENERAL INFORMATION ON SUBSIDIARIES AND AFFILIATES

The Parent Bank's subsidiaries and associates are presented below according to their principal activities and ownership interests.

Company	Year / Place of Establishment	Principal Activity	Relationship with the Parent Bank's	Ownership Interest	Sector
Kalkınma Venture Capital Portfolio Management Inc.	2020 / Istanbul	Establishment and Management of Venture Capital Investment Funds	Subsidiary	100%	Financial Services
Kalkınma Investment Asset Leasing Inc.	2020 / Istanbul	Sukuk (Lease Certificate) Issuance	Subsidiary	100%	Financial Services
MAKSAN Malatya Machinery Industry Inc.	1974 / Malatya	Distribution Transformer Manufacturing	Associate	31.14%	Electrical Machinery

Reporting Principles and Reliability

This report has been prepared in accordance with the fundamental qualitative characteristics required under the Türkiye Sustainability Reporting Standards (TSRS), namely relevance, materiality, and faithful representation. The disclosures have also been designed to support the enhancing qualitative characteristics of comparability, verifiability, understandability, transparency, and relevance, while clearly presenting the potentially material financial impacts of climate change on the Parent Bank's business model, operations, and lending portfolio.

Internationally recognized climate scenario frameworks have been used in assessing climate-related risks and opportunities. Transition risks have been evaluated using the NGFS (Network for Greening the Financial System) Net Zero 2050 and Current Policies scenarios. Accordingly, both the regulatory and financial implications of the transition to a low-carbon economy, together with the potential impacts of physical climate

risks—including heatwaves, floods, droughts, and other extreme weather events—have been assessed over the short, medium, and long term.

The assessment also considers the Parent Bank's current portfolio composition, sectoral distribution, carbon intensity, operational processes, and strategic priorities. Key variables incorporated into the analysis include sustainability regulations, carbon pricing mechanisms, the transition to low-carbon technologies, the energy transition, physical climate hazards, and investor expectations.

The outputs of these scenario analyses are integrated into the Parent Bank's strategic planning processes, credit allocation mechanisms, environmental and social risk management practices, sustainable finance activities, and climate-related opportunity assessments. Through this approach, the Parent Bank aims to evaluate the potential impacts of climate change within a comprehensive and science-based framework.

Consistency of Data and Assumptions

The data, assumptions, and methodological approaches underlying the sustainability-related financial disclosures included in this report have been developed to ensure the highest possible level of consistency with the data and assessment processes used in the preparation of the consolidated financial statements in accordance with the Turkish Financial Reporting Standards (TFRS). This approach has been adopted in line with the principles of consistency, comparability, and verifiability set out in TSRS 1.

The assumptions applied in the NGFS climate scenarios used to assess climate-related risks and opportunities have been evaluated by taking into consideration the Parent Bank's current portfolio composition, sectoral distribution, operational processes, and strategic priorities. The key assumptions and datasets used in the analyses have been interpreted in accordance with internationally recognized reference frameworks and adapted to reflect the Parent Bank's operational characteristics.

In areas where data availability and methodological limitations exist, a qualitative assessment approach has been adopted. The Parent Bank aims to enhance data quality and strengthen its quantitative analytical capabilities in future reporting periods.

Presentation Currency

All financial information and monetary amounts presented in this report are expressed in Turkish Lira (TRY). The presentation currency used throughout the report is fully consistent with that used in the Parent Bank's consolidated financial statements.

Third-Party Assurance and Scope

This report has been prepared in accordance with the Türkiye Sustainability Reporting Standards (TSRS), published by the Public Oversight, Accounting and Auditing Standards Authority (POA) and brought into force through publication in the Official Gazette on 29 December 2023. This report has been subject to an independent assurance engagement.



OVERVIEW

The assurance engagement was performed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (EY) as a limited assurance engagement in accordance with:

- ISAE 3000 – Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and
- ISAE 3410 – Assurance Engagements on Greenhouse Gas Statements.

Further information regarding the scope of the assurance engagement and the findings is provided in the Appendices section of this report.

Reporting Boundary and Responsibility Framework

The organizational boundary of this report comprises Türkiye Kalkınma ve Yatırım Bankası A.Ş. and its subsidiaries. The reporting boundary has been determined based on the consolidated financial reporting prepared in accordance with the regulations of the Banking Regulation and Supervision Agency (BRSA), applying IFRS consolidation principles, and covering the reporting period from 1 January 2025 to 31 December 2025. This approach aims to ensure consistency in the presentation of climate-related risks and opportunities as well as sustainability performance information.

The content of this report has been approved by the Board of Directors, which declares that the information presented is accurate and reliable. Throughout the reporting period, external assurance activities were conducted by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. No conflicts of interest or relationships that could impair the independence of the assurance engagement were identified.

External assurance activities within the Group are carried out in accordance with established policies and procedures. Independent audits conducted by qualified external assurance providers are intended to enhance the accuracy and reliability of the Parent Bank’s financial reports. In addition, continuous efforts are undertaken to strengthen and improve the Parent Bank’s internal control systems. The Board of Directors and senior management actively participate in the external assurance process and provide governance-level oversight to enhance its effectiveness.

Exemptions

This report is the second Sustainability Report published by the Parent Bank in accordance with the Türkiye Sustainability Reporting Standards (TSRS). Pursuant to the Board Decision published on 25 December 2025 regarding the transition relief provisions applicable to entities preparing sustainability reports for the first time under TSRS for the 2024 reporting period, in respect of their 2025 activity period sustainability reports, it has been decided that the transition relief practices defined under TSRS 1 and TSRS 2 for the first period of the TSRS reporting year shall continue; accordingly, the transition relief provisions set out in TSRS 1 E4, E5, and E6(b) have been extended by one year.

In this regard, the Parent Bank benefits from the exemptions provided under Articles E4, E5, and E6 (b) within the scope of TSRS 1. These exemptions are summarized below:

Transition Relief	Description	Transitional Provision	The Parent Bank Application
Deferred publication of sustainability-related financial disclosures	During the first annual reporting period in which an entity applies this Standard, it is permitted to publish its sustainability-related financial disclosures after the publication of the related financial statements.	TSRS 1 E4	Parent Bank has elected to publish its 2025 sustainability disclosures as a standalone report following the publication of its financial statements.
Climate-only reporting	During the reporting period, only climate-related matters may be disclosed; other TSRS 1 requirements are limited to these matters.	TSRS 1 E5	The Parent Bank has prioritized climate-related risks and opportunities and has provided limited disclosures on other sustainability topics during the reporting period.
Comparative information	During the reporting period, it is not mandatory to disclose comparative information regarding sustainability-related risks and opportunities.	TSRS 1 E6	The Parent Bank has disclosed comparative information regarding climate-related risks and opportunities in the reporting year; however, it has not disclosed comparative information regarding sustainability-related risks and opportunities other than climate.

Materiality

The financial impacts of climate-related risks and opportunities have been assessed in accordance with the evaluation framework defined under TSRS 2. To support decision-making processes, the Group has adopted a quantitative threshold approach when assessing financial materiality. Within this framework, 5% of Profit Before Tax for the 2024 reporting period has been established as the operational materiality threshold. However, as the underlying Profit Before Tax figure may vary significantly from year to year, the threshold has, as a matter of prudence, been revised during the reporting period to the lower of 5% of Profit Before Tax or 1% of equity. The assessment considers not only the potential financial impacts of climate-related risks and opportunities but also their implications for the Parent Bank’s strategic objectives and overall risk profile.

The materiality assessment has not been treated as a one-off disclosure exercise. Instead, it has been integrated with the Parent Bank’s risk management processes, strategic planning, and financial impact assessments within a holistic framework. The methodology, assumptions, threshold values, and key findings applied throughout the materiality assessment are explained in the relevant sections of this report to ensure transparency, traceability, and comparability.

Furthermore, the Group intends to periodically review its materiality assessment methodology in line with the evolving implementation of TSRS, developments in ISSB requirements, and emerging sectoral best practices.

GOVERNANCE

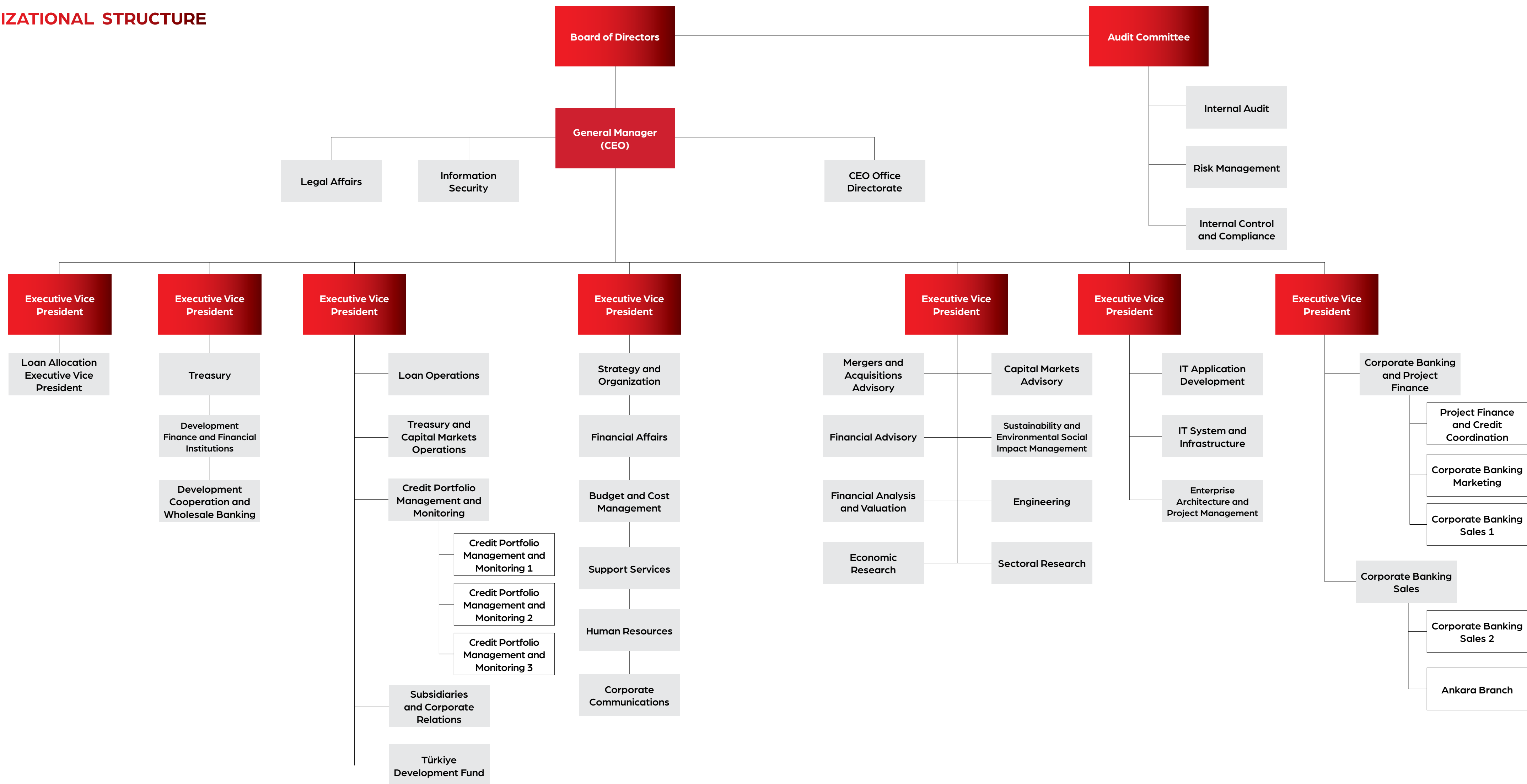
When assessing climate-related risks and opportunities, the Board of Directors addresses these factors in a holistic manner, balancing them against the Parent Bank's short-term financial targets, resource allocation decisions, and strategic priorities. In particular, financing decisions aim to strike a sound balance between commitments to mitigating climate risks and sustainability and profitability targets; where necessary, resource allocation is prioritized in line with climate-related objectives. Accordingly, the Parent Bank aims to manage, in a balanced manner, both its long-term financing responsibility arising from its development banking mission and its commitments to combating climate change.

In managing these trade-offs, the Board's risk appetite framework and the Sustainability Committee's assessments play a determining role. For financing requests related to high carbon-intensity sectors, the balance between short-term commercial opportunities and long-term climate targets is maintained by subjecting the relevant projects to an environmental and social risk assessment process and, where deemed necessary, integrating transition plans into loan conditions. Through this approach, the Parent Bank aims both to preserve financial stability and to sustain its contribution to the transition toward a low-carbon economy.



GOVERNANCE

ORGANIZATIONAL STRUCTURE



GOVERNANCE

Sustainability and Climate Risk Governance Structure

The Parent Bank has adopted a holistic management model that integrates its approach to contributing to sustainable development across all of its activities. Sustainability is treated as a core element of the corporate strategy, with practices carried out within the framework of a “Supportive Role for Sustainable Development” and a “Responsible Banking Perspective.”

Sustainability-related policy, strategy, and practices are carried out through the Sustainability Committee, which ensures senior management ownership, Board of Directors oversight, and coordination across units. Performance monitoring, data analysis, reporting, and improvement processes are regularly supported within the scope of the Committee’s work. The duties and responsibilities of the Sustainability Committee include assessing sustainability- and climate change-related risks and opportunities, reviewing relevant policies and practices, and following up on necessary actions in coordination with the relevant business units.

The Parent Bank continues its work in priority areas such as climate change, the circular economy, and sustainable finance, and closely monitors national and international developments. In addition, an SBTi (Science Based Targets Initiative) validation process is being carried out in order to align sustainability targets with science-based approaches.

Building Competencies on Climate Change Topics

The Parent Bank supports the development of the knowledge and competency levels of relevant units and employees in order to effectively manage climate change-related risks and opportunities. In this context, current developments, regulatory expectations, and international good practices regarding sustainability and climate change are monitored, and training and awareness-raising activities are carried out for relevant employees.

Regular briefings are provided by the relevant units at the Board of Directors and senior management levels to ensure the necessary flow of information for assessing climate change-related risks and opportunities, taking into account the competency areas and development needs identified.

During 2025, the Parent Bank held various training sessions, briefing meetings, and sector assessments with the participation of senior management and relevant employees in order to strengthen its institutional capacity in sustainability and climate change. These efforts aimed to integrate climate risks into the Parent Bank’s processes and to raise the awareness of relevant stakeholders on the subject.

In order to develop the technical competencies of employees working in the field of sustainability, 14 employees participated in the TSRS Training held in person on 19 March 2025. In addition, a training session titled “What You Need to Know About the New Climate Law,” delivered online by an external provider, was organized for Legal Department employees on 31 July 2025, with 3 employees participating.

Furthermore, during the year, specialized training sessions were organized for certain employee groups on climate finance, the mapping of climate risk scenarios and heat maps to credit portfolios, the assessment of environmental and social governance risks within sustainable finance, and TSRS expectations. A total of 9 employees participated in these training sessions.



GOVERNANCE

GOVERNANCE STRUCTURE AND RESPONSIBILITIES

ROLE OF THE BOARD OF DIRECTORS

The Board of Directors of the Parent Bank consists of seven members elected by the General Assembly. Board members are elected for a term of up to three years and may be re-elected upon expiry of their term. The election process is conducted within the framework of corporate governance legislation; candidates are determined in line with proposals submitted for shareholders' consideration at General Assembly meetings. The Board of Directors plays an active role in establishing strategic governance aligned with the Parent Bank's mission and sustainability objectives, ensuring — in close cooperation with senior management — the development and approval of strategy and policy frameworks. In this context, the Board contributes to the development and strengthening of mechanisms for managing the Parent Bank's economic, environmental, and social impacts, and supports a continuous improvement approach through monitoring and evaluation activities carried out throughout the year.

The Board of Directors evaluates climate-related risks and opportunities together with the Parent Bank's strategic planning, capital allocation, lending activities, environmental and social risk management practices, and long-term business objectives, and oversees their integration into the Parent Bank's long-term strategy, policy frameworks, and decision-making processes.

The Board of Directors treats climate change and sustainability not merely as a monitored agenda item, but as a core governance element integrated into decision-making processes. Accordingly, climate-related risks and opportunities are managed in a holistic manner across the Parent Bank's operational processes, financing decisions, and governance documents through relevant sets of policies. Policies and procedures are not limited to defining objectives but are also structured to support implementation processes, internal control mechanisms, and reporting infrastructure. This approach enables climate governance performance to be monitored systematically and reported effectively.

The Parent Bank's alignment with national and international reporting frameworks such as TSRS, TCFD (Task Force on Climate-related Financial Disclosures), and GRI (Global Reporting Initiative) supports the strategic ownership of climate-related risks and opportunities. In this context, these risks and opportunities are integrated into the corporate policy framework; climate change is positioned as a prioritized governance area both in the Parent Bank's own operations and in its financed activities.

COMMITTEES AND UNITS

Committee	Purpose	Meeting Frequency
Audit Committee	To establish the Audit Committee to perform the Board of Directors' audit and oversight functions, as well as certain responsibilities within the scope of the Parent Bank's internal systems, and to determine the Committee's duties, authorities, responsibilities, and operating procedures and principles.	Monthly
Credit Evaluation Committee	To establish the principles and procedures governing the Parent Bank's lending policies, enhance the performance of the credit portfolio in response to changing and evolving conditions, determine strategies for non-performing and legally monitored customers, adopt the necessary measures and decisions, and evaluate proposals submitted by the relevant business units.	Twice a month
Sustainability Committee	To discuss and implement sustainability-related matters within Türkiye Kalkınma ve Yatırım Bankası A.Ş.	Twice a year

Sustainability Committee

At the Parent Bank, effective institutional monitoring and assessment of sustainability- and climate-related risks and opportunities is carried out through the Sustainability Committee, which operates under the Board of Directors. By analyzing climate risks and ensuring that the resulting findings are regularly reported to management, the Committee contributes to these matters being addressed systematically not only at the strategic level but also at the operational level. In line with this approach, climate-related risks are managed within an integrated framework encompassing the governance structure, decision-making processes, and implementation mechanisms. The Committee convenes under the chairmanship of the General Manager and comprises an independent Board Member, the Deputy General Manager responsible for the Sustainability

and Environmental and Social Impact Management Unit, the Deputy General Manager responsible for the Development Finance and Financial Institutions Unit, the Deputy General Manager responsible for Human Resources, Financial Affairs, and Strategy functions, and the managers of the relevant units. The independent Board Member and other members are determined in accordance with the Committee's decision.

The Board of Directors carries out part of its oversight responsibilities for identifying, assessing, monitoring, and following up on actions related to sustainability- and climate-related risks and opportunities through the Sustainability Committee. Assessments carried out, decisions taken, and actions proposed by the Committee are submitted to the Board of Directors' attention and oversight through regular reporting mechanisms.

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During 2025, the Parent Bank Sustainability Committee continued to operate as an effective governance body responsible for setting the strategic direction of the Parent Bank's sustainability agenda and climate action initiatives, monitoring implementation, and providing the necessary strategic guidance. The high level of participation in Committee meetings throughout the year enhanced the effectiveness of decision-making while strengthening the implementation of Committee resolutions and institutional ownership of the related actions across the Parent Bank.

The Committee's agenda included the current status of the Parent Bank's climate change mitigation and adaptation approach, progress achieved against its strategic transition roadmap and sustainability targets, and an overview of ongoing and planned sustainability initiatives. In addition, the Committee reviewed content developed under the Sustainable Development Academy with contributions from internal stakeholders, as well as the integration of the Social Return on Investment (SROI) methodology for sustainable development investments into the Parent Bank's institutional processes.

The Committee convened twice during 2025. During these meetings, decisions were taken to initiate the Parent Bank's alignment process with the Taskforce on Nature-related Financial Disclosures (TNFD) framework and to incorporate TNFD reporting into the Parent Bank's Integrated Report. The Committee also resolved to expand and continue the Parent Bank's work on climate-related risks and opportunities. Furthermore, the Sustainability Working Group, operating under the Committee, continued its regular activities throughout the year, contributing to the monitoring of the Parent Bank's sustainability performance, supporting data collection and analysis processes, and developing recommendations for submission to the Committee. In addition, under its SBTi membership, the Parent Bank became the first and only financial institution worldwide to have its targets calculated and approved in accordance with the newly published financial sector standards.

The decisions adopted by the Committee are evaluated for integration into the Parent Bank's strategic planning and operational processes. Monitoring climate-related risks and opportunities, together with sustainability performance, constitutes one of the Committee's principal responsibilities.

Within this framework, the Committee monitors the implementation status of actions addressing identified risks and opportunities and performs regular assessments based on key performance indicators, analytical outputs, and reporting results.

To strengthen the effectiveness of risk management across the Parent Bank, the Corporate Risk Management Procedure is implemented, ensuring that risk management activities are carried out through an integrated approach aligned with strategic risk management principles. All risk categories, including climate-related risks, are reviewed regularly through coordination among the relevant business units, and recommendations for improving existing processes are submitted to the Board of Directors.

The Committee meets at least twice a year, and following each meeting, the agenda items and decisions are formally documented. Monitoring results and implementation progress are subsequently presented directly to the Board of Directors during the next Board meeting.

The control, monitoring, and reporting processes established for managing these risks are carried out through coordination among the Sustainability Committee, the Risk Management Unit, and the relevant business units, and are fully integrated into the Parent Bank's overall internal control, risk management, and corporate governance framework.



GOVERNANCE

Sustainability, Environmental and Social Impact Management Unit

The Sustainability, Environmental and Social Impact Management Unit is responsible for the effective operational implementation of Parent Bank's sustainability agenda and for ensuring the regular flow of sustainability-related information to the Parent Bank's corporate governance bodies. The Unit coordinates the implementation of the Parent Bank's sustainability strategy and activities related to the monitoring of climate-related risks and opportunities. It systematically communicates the findings and assessments generated through these activities to the relevant management platforms and to the Sustainability Committee.

The Unit's responsibilities include the identification of sustainability-related risks and opportunities, the establishment and continuous maintenance of the Parent Bank's risk inventory, the determination of risk mitigation actions where necessary, and the monitoring of the implementation status of such actions. Based on assessments conducted in the areas of climate change and sustainability, monitoring indicators are established for priority risk areas. Monitoring results are reported periodically and integrated into the Parent Bank's governance processes, forming an integral part of the Parent Bank's decision-making and performance monitoring mechanisms.

The Unit has a multidisciplinary structure comprising environmental engineers, social specialists, and biodiversity experts. This multidisciplinary approach supports the comprehensive assessment of environmental, social, and biodiversity impacts while facilitating the integration of these assessments into the Parent Bank's lending processes and enterprise risk management framework.

Representatives of the Unit regularly participate in Sustainability Committee meetings, where they present progress on ongoing activities, communicate emerging needs, and submit proposed actions for the Committee's consideration.

In addition, the Unit performs a coordination role to support the effective implementation of Committee decisions throughout the Parent Bank.

The Unit is also responsible for the collection, analysis, monitoring, and reporting of data relating to sustainability and climate-related risks and opportunities, ensuring that relevant findings and assessments are communicated to the appropriate management levels in a timely manner.

Governance Structure within Subsidiaries

Parent Bank's 100% owned subsidiaries—Kalkınma Venture Capital Portfolio Management Inc. and Kalkınma Investment Asset Leasing Inc.—do not maintain separate sustainability committee structures. Accordingly, the Sustainability, Environmental and Social Impact Management Unit, established within the Parent Bank's organizational structure, provides guidance to these subsidiaries on sustainability management and serves as the primary coordination mechanism between the Parent Bank and its subsidiaries.

Oversight of sustainability matters and climate-related risks and opportunities within the subsidiaries is carried out at the respective Boards of Directors. The participation of representatives from Parent Bank's senior management on the boards of the subsidiaries ensures that climate-related considerations are integrated into their decision-making processes.

As of 2025, the appointment of representatives from the Parent Bank's senior management to the Boards of Directors of the subsidiaries has further strengthened the integration of the Parent Bank's sustainability vision and climate-related governance approach into the subsidiaries' governance structures. Within this framework, Seçil Kızılkaya Yıldız, representing Parent Bank's senior management, serves as a member of the Boards of Directors of the subsidiaries.

Through this role, climate-related risks together with environmental and social considerations are regularly included on the agenda of Board meetings. Related decisions and evaluations are monitored at Board level and followed up in coordination with the relevant units of the Parent Bank. Where necessary, opinions and recommendations are submitted to the respective governing bodies. This governance approach supports the monitoring and guidance of developments in line with the Parent Bank's corporate sustainability priorities. Looking ahead, the Parent Bank aims to further strengthen sustainability-focused governance structures within its subsidiaries. In this context, responsibilities relating to the identification, monitoring, assessment, and reporting of climate-related risks will be defined within a clearer and more systematic governance framework, while existing processes will be further enhanced in line with corporate governance practices.

Risk Management Unit

The Risk Management Unit ensures that risks arising from the Parent Bank's activities are monitored through a measurable and systematic approach and managed within the risk limits established in accordance with the regulations of the Banking Regulation and Supervision Agency (BRSA) and approved by the Board of Directors. The Risk Limits and Implementation Principles, which define the Parent Bank's risk appetite, are reviewed at least annually and updated whenever necessary before being submitted to the Board of Directors for approval. Risks are monitored regularly against the approved limits. Where any limit breach is identified, the necessary corrective actions are initiated to ensure that risk exposures remain within acceptable levels. At the Parent Bank, risk and opportunity assessments are conducted in accordance with procedures established by the Risk Management Unit, with the participation of the relevant business units across the Parent Bank. This approach provides a structured framework that supports the systematic identification of risks and opportunities relating to business processes, enhances their visibility to management, and facilitates the effective implementation of appropriate control mechanisms.

Climate-related risks and opportunities are treated as an integral component of this enterprise-wide risk management framework. Assessments are conducted using the EYS.48-F Risk and Opportunity Assessment Form, through which the relevant analyses are performed. The associated metrics and targets are reviewed regularly through coordination among the Sustainability, Environmental and Social Impact Management Unit, the Risk Management Unit, and the relevant technical departments, and are incorporated into the Parent Bank's performance reporting processes. Furthermore, periodic reporting to the Board of Directors ensures that climate-related information is directly incorporated into strategic decision-making processes. Monitoring and evaluation activities are conducted in accordance with the requirements of TSRS and internationally recognized best practices, following a transparent, traceable, and systematic approach.

Internal Audit

The Internal Audit Unit at the Parent Bank evaluates compliance with applicable national and international legislation, relevant standards, and the Parent Bank's strategy, policies, procedures, and objectives from an independent and objective perspective to ensure the effectiveness of the corporate risk management approach. In this context, Internal Audit is positioned as the third line of defense that provides assurance to senior management. It reviews the effectiveness and adequacy of the business units forming the first line of defense and the risk management and control functions in the second line of defense through audit activities. Internal audit activities aim to test the effectiveness of the Parent Bank's control environment and risk management practices, identify areas that need improvement, and support corporate development in line with the findings. In this context, the management of climate-related risks is also included in the scope of the audit. The implementation level of relevant policies and procedures, the effectiveness of the processes, and their compliance with governance structures are systematically evaluated.

GOVERNANCE

Findings and recommendations obtained as a result of audit studies are communicated to senior management and relevant committees through regular reporting mechanisms. Thus, the effective management of risks and the strengthening of internal control systems are supported. At the Parent Bank, the basic elements regarding the management of climate-related risks and opportunities are integrated into the Internal Audit Unit's audit plan and evaluation approach. In this way, the Unit aims to increase traceability, transparency, and accountability in these areas.

The following key elements regarding the management of climate-related risks and opportunities at the Parent Bank have been integrated into the scope of internal audit:

Environmental and Social Risk Assessment Procedure in the Lending Process

Climate risks are systematically addressed as an integral part of the project appraisal process and are directly reflected in project risk scoring.

Control Points

For projects carrying high climate risk, specific controls, monitoring plans, and technical preconditions are defined in the project appraisal forms.

Integration

The Internal Audit Unit evaluates the integration of climate risks into credit decision-making processes and the impact of environmental and social risk scores on decision mechanisms.

Reporting

Findings are reported to the sustainability committee and the board of directors; where necessary, corrective actions are planned and implemented by senior management.

Parent Bank Employees

Parent Bank aims to foster a corporate culture in which climate risk management and risk mitigation are embraced across the organization, rather than being treated solely as technical processes carried out by specific departments. Accordingly, all employees are expected to comply with the Parent Bank's Environmental, Social and Governance (ESG) policies and practices and to contribute to the achievement of the Parent Bank's sustainability objectives by considering climate-related risks and opportunities within the scope of their respective responsibilities.

Employees' roles and responsibilities vary according to their functional areas. Credit and project teams systematically integrate climate-related risk assessments into lending and project appraisal processes and ensure the implementation of the necessary control and monitoring mechanisms in accordance with the Environmental and Social Risk Assessment Procedure.

Procurement, operations and administrative teams support energy and resource efficiency initiatives while integrating waste reduction practices and sustainable procurement criteria into operational processes. Daily practices such as energy conservation, waste segregation, reduced resource consumption and digitalization also contribute to minimizing the environmental impacts arising from the Parent Bank's operations.

Individual and departmental contributions are aligned with the Parent Bank's greenhouse gas emission reduction targets, low-carbon transition approach and sustainable finance strategy. Activities relating to the monitoring of sustainability performance are carried out by the relevant business units, and the results are reported regularly to senior management.

Progress made towards sustainability objectives and related performance metrics is monitored through the Sustainability Working Group and internal coordination mechanisms. Decisions taken and implementation outcomes are reviewed on a regular basis, with the objective of embedding sustainability as an integral component of the Parent Bank's corporate culture.

GOVERNANCE POLICIES AND PROCEDURES

Climate Change Mitigation and Adaptation Approach

Parent Bank integrates the risks and opportunities arising from the transition to a low-carbon economy into its strategic planning processes. Within this framework, renewable energy, energy efficiency and environmentally sustainable investments constitute the Parent Bank's priority financing areas, while targets are established to reduce resource consumption arising from operational activities. Greenhouse gas emissions are monitored regularly and disclosed transparently to stakeholders through voluntary reporting platforms such as the Carbon Disclosure Project (CDP). Emission reduction initiatives are further strengthened through resource efficiency practices and environmental management systems, particularly the ISO 14001 Environmental Management System.

Environmental and Social Policy

Climate change is regarded as one of the fundamental pillars of the Parent Bank's environmental and social sustainability approach. Within the framework of the Environmental and Social Management System (ESMS), the climate-related impacts of projects financed by the Parent Bank are systematically assessed throughout the lending process. Actions aimed at mitigating identified risks are defined, while sustainability performance indicators are monitored and reported regularly to ensure continuous oversight and improvement.

Sustainability Principles

Combating climate change, ensuring the efficient use of resources, and supporting low-carbon investments are among the core components of the Parent Bank's sustainability principles. In this regard, the aim is to reduce resource consumption and increase efficiency in operational activities; the sustainability approach is applied within a holistic framework by being integrated into both corporate operations and financing decisions.

Credit Evaluation Processes

Environmental and social risks, together with their potential impacts, are addressed through a systematic and holistic approach during the Parent Bank's credit evaluation processes. Assessments are conducted in accordance with the Environmental and Social Risk Assessment Model, under which project-related risks are classified and analyzed based on predefined criteria. The evaluation process considers factors such as the project's nature, scale, geographical location and potentially affected stakeholder groups in order to establish a comprehensive risk profile. Where necessary, additional information and documentation are requested to enhance the depth and quality of the assessment.

For projects classified as high-risk, more comprehensive action plans are developed to strengthen risk mitigation and improve monitoring capabilities. These plans include the identification of corrective and preventive measures, the clear allocation of implementation responsibilities and regular monitoring through defined performance indicators.

To enhance the effectiveness of the process and ensure robust implementation, binding environmental and social provisions are incorporated into loan agreements. This approach ensures that commitments extend beyond declarations and remain operationally measurable and enforceable throughout the project lifecycle.

GOVERNANCE

Policy Management

To ensure the effective implementation of sustainability policies and practices, Parent Bank has established a clear framework of responsibilities within its corporate governance structure. Accordingly, the principles and practices defined under the Environmental and Social Policy and the Climate Change Mitigation and Adaptation Policy are implemented through close coordination among the Parent Bank's relevant business units and governance bodies.

Operational implementation of these policies is the responsibility of the relevant business units. Within this framework, Credit Allocation, Credit Portfolio Management, Project Finance and Corporate Banking units consider environmental, social and climate-related risks throughout credit appraisal and monitoring processes, integrating their assessments into decision-making in accordance with the Environmental and Social Impact Assessment procedures.

The Sustainability, Environmental and Social Impact Management Unit is responsible for ensuring the institutional consistency of the Parent Bank's policy framework and monitoring its strategic alignment. The Unit evaluates the effectiveness of policy implementation, identifies areas for improvement and develops enhancement recommendations where necessary. It also contributes to strengthening policy implementation through coordination with internal and external stakeholders.

The review and periodic revision of policies are conducted under the oversight of the Executive Committee and the Board of Directors. During the reporting period, the Parent Bank's Environmental and Social Policy was reviewed and updated in line with evolving sustainability priorities and institutional requirements. Accordingly, the Environmental and Social Policy and related procedures were comprehensively

revised and republished to incorporate new practices, particularly those aimed at strengthening the assessment of climate-related risks across the supply chain. The updated ESG framework has been built upon more comprehensive, transparent and effective processes. By strengthening stakeholder engagement together with monitoring and evaluation mechanisms, the Parent Bank has further enhanced the systematic management of sustainability performance at the institutional level. Each policy document is reviewed periodically or whenever required. Revisions are made by considering applicable legislation, current sustainability standards and internal feedback, and become effective upon approval by senior management. This approach ensures that the Parent Bank's policy framework remains current, relevant and effectively implemented.

Environmental and Social Risk Assessment in the Lending Process

Climate-related risks are addressed as an integral component of the Parent Bank's overall environmental and social risk assessment framework applied to lending and project appraisal activities. Within the current assessment process, both national datasets prepared at the provincial and district levels and publicly available data provided by internationally recognized climate risk assessment tools are utilized. The Parent Bank continues to enhance its assessment methodology and plans to implement a more comprehensive evaluation framework that incorporates the project's nature, scale, geographical location, and potential vulnerability factors. The analysis will not remain solely qualitative; instead, as in the existing assessment framework, climate-related findings will be integrated into the project risk classification and scoring methodology, allowing climate considerations to directly influence overall project risk ratings.

Critical Control Measures

For projects assessed as having high climate-related risk, additional control measures beyond the standard assessment process are implemented to enhance the depth and quality of the evaluation. Within this framework, dedicated climate-risk control sections are incorporated into project assessment forms, enabling the Parent Bank's risk mitigation approach to become more concrete, and traceable. Where necessary, technical preconditions are established, project-specific monitoring plans are prepared, and the preventive and corrective measures expected to be implemented are clearly documented. Accordingly, climate risk management is supported through a practical control framework that enables continuous monitoring throughout the entire project lifecycle.

Process Integration

The level of integration of climate-related risks into lending processes is evaluated based on the effectiveness of the procedures applied, the functionality of control mechanisms, and their influence on lending decisions. This assessment aims to demonstrate how environmental and social risk ratings together with climate-related findings are incorporated into credit allocation decisions. Accordingly, climate risk management is positioned as an embedded management component that strengthens the quality of lending decisions rather than functioning as a stand-alone assessment process. Following periodic reviews, areas requiring improvement are identified, and recommendations are developed in coordination with process owners to enhance implementation effectiveness.

Monitoring, Management of Findings and Reporting

Findings generated through audit and assessment activities are not limited to identification alone. They are incorporated into the reporting flow to both the Sustainability Committee and the Board of Directors,

thereby ensuring that significant findings are elevated to the Parent Bank's governance agenda. Depending on the nature of the findings, corrective actions are planned, responsibilities are assigned, and implementation timelines are established. The progress of actions carried out under the ownership of senior management is monitored periodically. Where necessary, action plans are revised or strengthened to improve their effectiveness. This governance framework aims to enhance accountability while continuously strengthening the Parent Bank's climate-related control environment over time.

Overall Assessment

Without establishing a separate audit mandate dedicated exclusively to climate-related matters, the Internal Audit Unit contributes to strengthening the Parent Bank's governance framework by regularly reviewing the design and operating effectiveness of sustainability- and climate-related controls as part of the Parent Bank's enterprise risk management approach.

This contribution is delivered through an assurance-based approach that supports process integration, the effectiveness of internal control mechanisms, and the continuity of monitoring and reporting disciplines.

REMUNERATION

The Parent Bank's remuneration policy has not incorporated sustainability- or climate-related objectives. Remuneration practices are implemented in accordance with the Parent Bank's existing remuneration policy and are not currently linked to sustainability performance or other ESG-related performance indicators. At present, the Parent Bank has no plans to introduce an alternative remuneration framework in this regard.

STRATEGY

The Parent Bank manages the identification, assessment, prioritization and monitoring of climate-related risks and opportunities through a comprehensive and systematic framework. The Parent Bank evaluates the impacts of climate change from the perspectives of both physical risks and transition risks, assessing their potential implications for its operations and lending portfolio. At the same time, climate change is viewed not only as a source of risk but also as a strategic opportunity. Renewable energy, energy efficiency, the circular economy, green infrastructure and investments generating positive social impact constitute the Parent Bank's priority financing areas. Through these activities, the Parent Bank also strengthens its access to international climate-focused funding sources.

Outputs derived from NGFS climate scenario analyses are used to assess the potential implications of Türkiye's climate policies for the Parent Bank's portfolio and business model, providing valuable input to strategic decision-making processes. The short-, medium-, and long-term time horizons adopted by the Parent Bank have been defined in alignment with Parent Bank's strategic planning cycle and the maturities of its project finance activities. In the short term, priority is given to operational processes, internal control mechanisms, and loan repayment performance, while in the medium and long term, the focus shifts to diversifying funding sources, aligning the portfolio with climate targets, and pursuing corporate transformation steps.

Time-Horizon-Based Approach

SHORT TERM (1–3 YEARS)

Ensuring operational alignment, strengthening internal control processes, rapidly adapting lending policies, and developing short-term sustainable finance products.

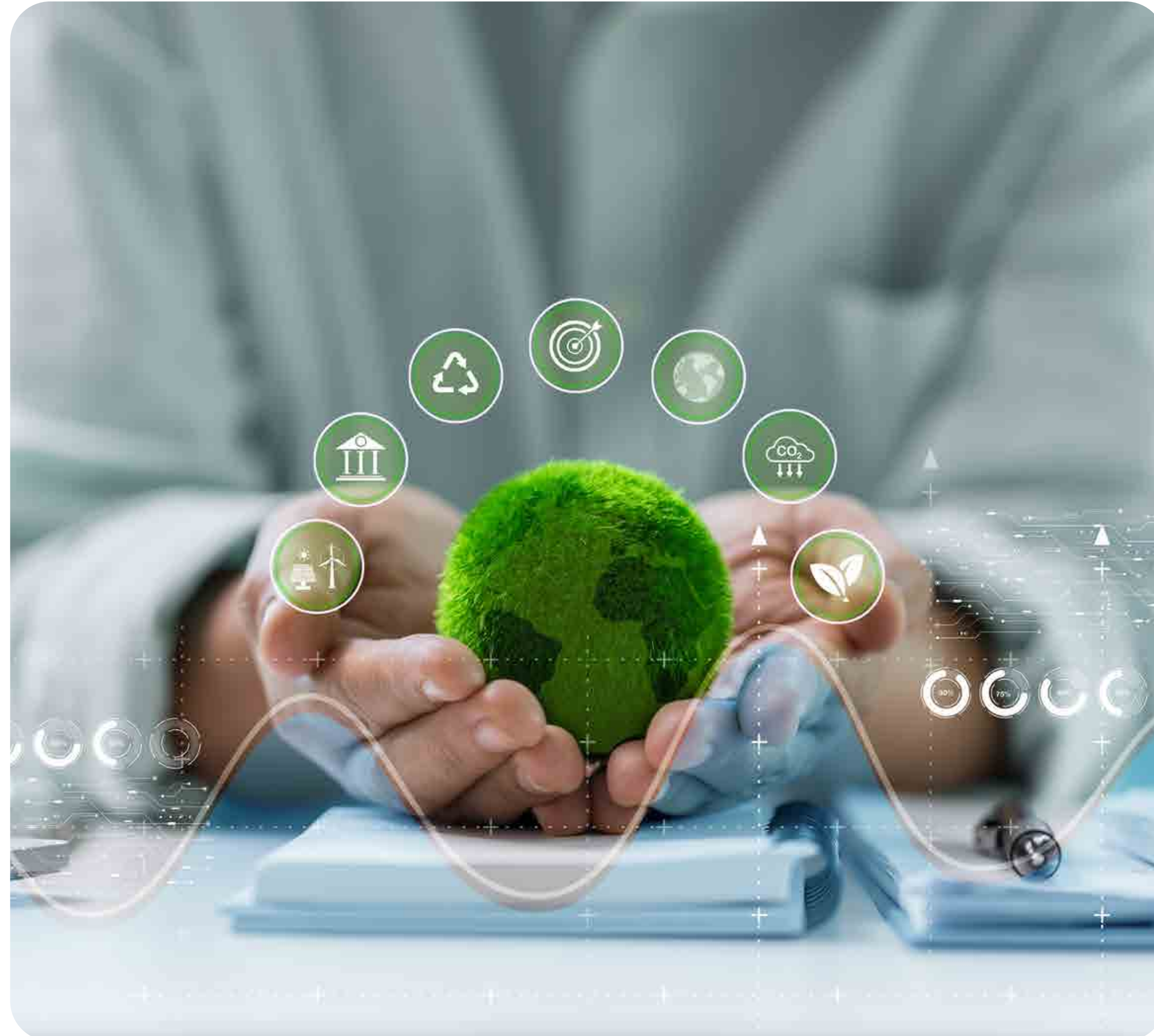
MEDIUM TERM (3–5 YEARS)

Rebalancing the lending portfolio, expanding sustainable funding capacity, and integrating climate-related risks more systematically into lending and investment decisions.

LONG TERM (5 YEARS AND BEYOND)

Transforming the Parent Bank's strategic governance framework, accelerating financing towards low-carbon sectors, and developing internal carbon pricing approaches.

STRATEGY



CLIMATE SCENARIO ANALYSIS VARIABLES

The Parent Bank conducted the scenario analysis in April of the reporting year through the joint efforts of the Sector Research, Risk Management, Engineering, and Sustainability teams. Accordingly, the scenario analysis conducted within the scope of the climate-related risks and opportunities assessment was elaborated in greater detail.

The Parent Bank evaluates the impacts of climate-related risks and opportunities across different time horizons and scenario sets and carries out analytical studies that support its strategic decision-making processes. In this context, the Parent Bank has adopted the scenarios published by NGFS as the basis for the assessment of transition risks.

In the transition risk analyses, the NGFS Net Zero 2050 and Current Policies scenarios were specifically used, and the potential impacts of the transition to a low-carbon economy on the Parent Bank's loan portfolio and operational activities were assessed.

Türkiye's climate policies and regulatory transition process were also taken into consideration in the scenario analyses. In this context, the assumptions incorporated into the scenarios included the Nationally Determined Contribution (NDC) targets, the TSRS, the Carbon Border Adjustment Mechanism (CBAM), the Emissions Trading System (ETS) initiatives, and developments in sustainable finance. In addition, international best practices and evolving expectations for the financial sector were incorporated into the analytical framework.

Within the scope of the scenarios, the potential impacts on the Parent Bank's portfolio of macroeconomic indicators such as changes in carbon prices, capital flows toward low-carbon business activities, the energy transition, technological developments, and regulatory obligations were assessed. While the NGFS Net Zero 2050 scenario represents a rapid and orderly transition pathway aligned with the objectives of the Paris Agreement, the Current Policies scenario reflects higher physical risks and a more limited pace of transition under the continuation of existing policies.

The outputs obtained from the analyses are used in the assessment of sector-specific vulnerabilities, the identification of risk concentrations within the loan portfolio, the prioritization of risk mitigation actions, and the strengthening of monitoring mechanisms. Accordingly, the Parent Bank aims to evaluate climate risks under different scenario sets through a holistic approach and integrate them into its decision-making processes.

STRATEGY

SCENARIO ANALYSIS FRAMEWORK

In the climate-related risk and opportunity analyses carried out by the Parent Bank, different internationally recognized scenario sets have been used, as transition risks and physical risks are characterized by different dynamics. In this context, climate scenarios developed by the NGFS have been used for the assessment of transition risks. For the assessment of physical risks, rather than adopting a scenario-based approach, a qualitative assessment method has been adopted by taking into account the geographical regions to which the Parent Bank is exposed and sectoral concentrations.

The NGFS scenarios provide a comprehensive framework for assessing carbon pricing mechanisms, sustainability regulations, the transition to low-carbon technologies, the energy transition, structural changes in carbon-intensive sectors, and the transition impacts on the financial system. In the assessment of physical risks, factors such as greenhouse gas emission levels, temperature increase, extreme weather events, floods, droughts, and wildfire risks have been evaluated independently of the scenarios, based on current scientific data and the Parent Bank's portfolio concentration.

Accordingly, the NGFS Net Zero 2050 scenario, which represents an orderly and controlled low-carbon transition pathway, was assessed. In contrast, the NGFS Current Policies scenario was considered within the stress scenario approach, under which the current policy framework continues, the transition process is delayed, and transition risks reach higher levels.

In the analyses conducted, the potential impacts on the Parent Bank's operations, subsidiaries, and credit portfolio were assessed from short-, medium-, and long-term perspectives. The analyses took into account key climate variables such as carbon pricing mechanisms, sustainability regulations, emission reduction obligations, the transition to low-carbon technologies, the energy transition, extreme weather events, heatwaves, floods, droughts, and wildfire risks.

The assessments arising from the scenario analyses are used to develop the Parent Bank's approach to climate-related risk management, to support strategic planning processes, to guide sustainable finance activities, and to enhance long-term resilience.



STRATEGY

Scenario Details	NGFS Net Zero 2050 (Orderly Transition Scenario)	NGFS Current Policies (Current Policies Scenario)
General Framework	In this scenario, technological transformation takes place gradually, thereby increasing the manageability of the transition. Carbon Offset and Removal (CDR) technologies are widely used, providing a high level of carbon removal throughout the scenario.	In this scenario, technological transformation progresses in a limited and irregular manner, reducing the predictability of transition risks. Carbon Offset and Removal (CDR) technologies are used on a limited scale, providing a low level of carbon removal throughout the scenario.
Key Assumptions	An orderly and coordinated transition process aiming to reduce global greenhouse gas emissions to net zero by 2050 is envisaged. Carbon pricing mechanisms, sustainability regulations and investments in low-carbon technologies are introduced at an early stage.	It is envisaged that current climate policies will continue without additional strong interventions. The transition to a low-carbon economy progresses slowly on a global scale, and emission reduction targets remain insufficient.
Quantitative Assumptions	It is assumed that carbon prices increase gradually and predictably, emissions are reduced in an orderly manner, and the global economy is transformed in line with the net zero target.	It is assumed that the pace of emission reductions remains insufficient, carbon costs may increase sharply in the long term, and regulatory interventions are introduced with delays.
Qualitative Assumptions	Transition risks occur at controlled and manageable levels. Carbon-intensive sectors are able to implement transition investments in a planned manner, and pressures on the financial system remain limited.	Although transition pressures appear to be low in the short term, high carbon costs, stringent regulations and market pressures are expected to increase in the medium and long term.
Expected Impact Channel on Parent Bank Operations	The widespread adoption of sustainability practices in operational processes is expected to lead to increased energy efficiency and a strengthening of low-carbon operating models.	Due to increasing regulatory requirements and sustainability expectations, compliance costs are rising, creating a need for further transformation in operational processes.
Expected Impact Channel on the Credit Portfolio	Demand for financing for low-carbon investments is increasing, and the share of sustainable sectors in the loan portfolio is rising. Credit risks are expected to remain at more manageable levels.	Customers operating in carbon-intensive sectors may experience increased conversion costs, deterioration in their credit repayment capacity, and a rise in default risk.
Technological Assumption	It is assumed that investments in low-carbon technologies (renewable energy, energy storage, electrification) will accelerate; and that Carbon Offset and Removal (CDR) technologies will scale up and become widespread after 2030, with their costs decreasing predictably.	It is assumed that investments in low-carbon technologies remain limited; that the commercialization and scaling-up process of CDR technologies is delayed; and that the existing technological infrastructure largely maintains a fossil fuel-intensive structure.
Macroeconomic Assumption	It is assumed that global economic growth remains stable with consistent carbon pricing and policy coordination, and that inflation and financing conditions remain predictable to support the transition process.	It is assumed that physical and regulatory risks in carbon-intensive sectors increase macroeconomic volatility; and that inflationary pressures and fluctuations in financing costs deepen transition risks.

STRATEGY

KEY ASSUMPTIONS

The key assumptions used in the scenario analysis were evaluated under the following headings:

- **Climate policies in the countries where the entity operates**

It is assumed that the carbon pricing mechanisms, regulatory frameworks, and sustainability regulations in the countries where the Parent Bank operates will be shaped in line with the relevant path foreseen by the selected scenario (NGFS Net Zero 2050 / Current Policies).

- **Macroeconomic trends**

Assumptions regarding growth, inflation, and financing conditions at the global and national levels have been differentiated on a scenario basis and are detailed in the Macroeconomic Assumptions row.

- **National or regional variables (local weather events, demographics, land use, infrastructure, and availability of natural resources)**

Local conditions, demographic structure, land use, infrastructure, and availability of natural resources in the regions where the Parent Bank's loan portfolio is concentrated have been evaluated within the scope of the transition dynamics foreseen by the selected NGFS scenarios.

- **Energy use and diversification**

The pace of transition to low-carbon energy sources (renewable energy, energy storage, electrification) and assumptions regarding the transformation in the energy mix are disaggregated on a scenario basis.

- **Technological developments**

The pace of development, scaling process, and cost reduction of low-carbon technologies and Carbon Offset and Removal Technologies (CDR) are detailed in the Technological Assumptions section.

RATIONALE FOR SCENARIO SELECTION

The selected scenarios were developed to assess the Parent Bank's strategic resilience against transition and physical risks arising from climate change. During the scenario selection process, the sectoral distribution of the loan portfolio, carbon intensity, the economic sectors in which the Parent Bank operates, the level of uncertainty in climate policies, the pace of technological transformation, investor expectations, and long-term sustainability trends were taken into consideration. In this context, it was aimed to analyses how both the Parent Bank's operational structure and its loan portfolio could be affected under different climate and policy pathways. The short-, medium-, and long-term time horizons used in the analyses were determined in a manner consistent with the maturities adopted in the Parent Bank's strategic planning and financial reporting processes.

Due to the nature of climate risks, whereby transition risks and physical risks have different dynamics, two different internationally recognized scenario sets were used in the analyses. NGFS scenarios were preferred for the assessment of transition risks. NGFS scenarios constitute one of the most widely used international reference frameworks for assessing carbon pricing mechanisms, sustainability regulations, emission reduction policies, low-carbon technology transition, energy transition, and transition impacts on the financial system. In particular, NGFS scenarios were preferred because they enable the analysis of transition pressures on the loan portfolio, the financial impacts that may arise in carbon-intensive sectors, and regulatory changes from the perspective of the banking sector.

Accordingly, the NGFS Net Zero 2050 scenario, representing an orderly and controlled low-carbon transition process, and the NGFS Current Policies scenario, under which the current policy framework continues, and the transition process is delayed, were evaluated together. Thus, it was aimed to analyses the potential impacts on the Parent Bank of both orderly transition conditions and stress conditions arising from a delayed transition.

The use of internationally recognized scenario sets is intended to ensure that the analyses performed are based on scientific principles, are aligned with global reporting frameworks, and support the climate risk assessment approach envisaged under the TSRS. The outputs obtained are integrated into the Parent Bank's long-term strategic planning, credit allocation processes, sustainable finance practices, risk management approach, and the assessment of climate-related opportunities.

In addition, by considering the scenario analyses together with the Parent Bank's internal stress tests, risk modelling studies, and sustainable finance strategies, it is aimed to evaluate the Parent Bank's institutional resilience to climate change in a more comprehensive and in-depth manner.

Operational Scope

The scenario analyses cover the head office operations (Istanbul Head Office and subsidiaries), operations indirectly associated due to shared buildings and infrastructure, and the main sectors included in the Parent Bank's loan portfolio, such as manufacturing, energy, finance, insurance, agriculture, and construction.

STRATEGY

CLIMATE-RELATED RISKS AND OPPORTUNITIES

In the 2024 reporting period, a 3×3 risk matrix was used to assess climate-related risks, structured to reflect short-term (1–3 years), medium-term (3–5 years), and long-term (5+ years) definitions. In 2025, in parallel with the assessment work carried out within the scope of the Parent Bank’s Risk and Opportunity Analysis Form, the criteria for likelihood of occurrence, effectiveness of existing controls, degree of impact, and probability of realization were addressed in greater detail; accordingly, the Parent Bank transitioned from the 3×3 matrix to a 5×5 matrix in order to enable a more sensitive and granular risk scoring.

Risk Category		Physical Risks	
Risk Description	Value Chain	Location/Sector	Likelihood
Impact	Risk Score	Short Term (1–3 years): Under this scenario, in which climate policies progress in a controlled manner, a limited increase in physical climate risks is projected. Extreme temperature and wildfire indicators remain stable during this period, and no significant disruption or additional cost impact on the Parent Bank’s operations is expected.	Medium Term (3–5 years): Although gradual changes in temperature increases and extreme weather events are projected, it is observed that the upward trend in temperature and wildfire risk has either not yet begun or remains at a very limited level. Accordingly, no significant financial or operational impact is expected within the scope of the existing operational structure and building resilience.
NGFS Net Zero Scenario Analysis	NGFS Current Policies Scenario Analysis	Long Term (5 years and beyond): A limited increase in physical risk indicators is expected. Temperature increase is projected to remain below 0.5%, while wildfire risk is expected to remain below 0.2%. The impacts on energy consumption, operational continuity, and infrastructure resilience are expected to remain at manageable levels.	The Net Zero scenario assumes a rapid and steady low-carbon transition that limits global warming to approximately 1.5°C. Therefore, the intensification of physical climate hazards (extreme temperatures, fires, etc.) remains much more limited compared to the Current Policies scenario, primarily due to the early and sustained reduction of emissions. Accordingly, the flattening of indicators in the short-term stems from the delayed impact of the transition on the climate system and the significant preservation of existing physical conditions. The lack of a pre-existing or very limited increase in the medium term is due to the low-carbon transition beginning to curb global temperature increase during this period. In the long term, the limited temperature increase (below 0.5%) and fire risk (below 0.2%) reflect the scenario’s achievement of its 2050 target, resulting in significantly lower physical risks compared to the Current Policies scenario.

STRATEGY

Risk Category	Physical Risks
Maturity	It is expected to happen in the short term.
Current Impact	Sudden extreme weather events can cause short-term disruptions to operational processes in the regions where the Group operates. In particular, climate-related events such as heavy rainfall, heat waves, and storms can lead to increased energy consumption, access problems, and temporary interruptions in building operations. However, currently, no physical damage or long-term operational disruption resulting in a direct and significant financial impact on the Group's operations has been observed.
Anticipated Effect	In line with the long-term effects of climate change, it is predicted that there will be an increase in the frequency and intensity of physical hazards such as heat waves, extreme rainfall, floods, and fire risk. While the effects are expected to remain at a more manageable level in low-emission scenarios, it is assessed that more significant impacts may occur on operational continuity, energy consumption, infrastructure resilience, and service accessibility in high-emission scenarios. In particular, additional resilience investments in building infrastructure, operational adaptation measures, and risk management practices are expected to become increasingly important in the long term. In parallel with the transition process to new regulations, the Parent Bank's assessments of physical climate risks have been classified in more detail this year based on scenario (Net Zero / Current Policies) and maturity (short/medium/long term); indicators such as temperature increase, fire risk, and population-based exposure are expressed with numerical thresholds. This approach enables the reporting of the impact of climate risks on the Parent Bank's operations in a more transparent, comparable, and traceable manner, and contributes to increasing the level of transparency within the scope of environmental reporting.

Risk Category	Physical Risks
Financial Impacts and the Financial Items It Affects	The Parent Bank's operations are primarily conducted through a single central building structure, and structural integrity studies, engineering data, and local climate hazard projections that would allow for the quantification of damages that acute physical weather events could cause specifically to this building are not yet available. Therefore, this risk is reported only qualitatively as a risk that cannot be financially quantified in accordance with paragraphs 19–21 of TSRS 2. The analyses have considered the potential impacts of heat waves, extreme rainfall, floods, fires, and disruptions to energy infrastructure on operational processes. However, due to the lack of climate data reflecting local hazard levels and structural vulnerability analyses, possible damage scenarios and monetary impacts cannot be calculated.
	In this context, it is possible that increased frequency and intensity of extreme weather events may lead to increased energy consumption, increased operational downtime, additional resilience investments in building infrastructure, and additional operational costs to support service continuity; Furthermore, it is assessed that impacts such as the need for revaluation of tangible fixed assets and loss of revenue due to service interruptions may occur. Currently, detailed local climate projections, asset-based vulnerability analyses, and damage modeling that would allow for the quantitative calculation of the direct financial impact of physical climate risks are limited. Therefore, these risks are addressed with a qualitative assessment approach under TSRS 2. It is assessed that potential impacts may be concentrated particularly on operational expenses, maintenance and infrastructure expenditures, and indirect costs related to service continuity.
	The Parent Bank regularly reviews and improves its business continuity, emergency, and crisis management practices to mitigate the impact of physical climate risks on operational processes. In this context, Emergency and Unexpected Action Plan processes are implemented to address potential operational disruptions, and control mechanisms supporting the continuity of critical operations are maintained. An Emergency Control Center has been established, and response processes and communication channels have been clearly defined.
Risk Mitigation Activities	To increase operational resilience against situations such as extreme weather events, power outages, and physical access problems, business continuity plans have been developed, and the duties and responsibilities of the relevant teams have been defined. The goal is to strengthen response capacity through regular drills, training activities, and crisis coordination processes. All personnel are informed about emergency scenarios and their participation in drills is ensured. Furthermore, in line with the long-term impacts of assessed physical risks, the Parent Bank aims to continue improvement efforts towards the resilience of building infrastructure, energy efficiency practices, digital operations capabilities, and remote access infrastructure.
Key Risk Indicators	Number and duration of climate-related operational disruptions

STRATEGY

Risk Category		Physical Risks	
Action Plan	Direct and Indirect Mitigation Efforts	It has been assessed that the physical assets on which the Parent Bank conducts its operations may be exposed to climate-related physical risks such as heat waves, extreme rainfall, floods, fires, and power infrastructure disruptions. To mitigate the potential impact of these risks on operational continuity, efforts are underway to strengthen existing business continuity, crisis management, and emergency processes.	
		Within this scope, procedures are implemented within the Parent Bank's Emergency and Unexpected Situation Management approach to ensure the continuity of critical operations, protect information systems infrastructure, ensure employee safety, and regulate operational coordination processes. To increase the capacity to respond to potential physical climate events, the duties and responsibilities of relevant teams are defined, and regular training and drills are conducted.	
		Considering the physical risk profile predicted by scenario analyses, the goals are to increase operational resilience, protect critical systems against disruptions, strengthen remote access and digital operations infrastructure, and support energy efficiency practices. Furthermore, in the future, it is planned to develop the data infrastructure, monitor local climate projections, and refine vulnerability analyses to enable more detailed assessments of physical risks.	
		The action plan is a natural part of existing risk management procedures and is a response to short- and medium-term climate events predicted by relevant scenario analyses. Within the scope of scenario analyses, it has not been possible to reliably financialize building and facility-level physical climate risk estimates for the Bank's headquarters and its clients' operating areas due to insufficient data. Furthermore, the Parent Bank continues to conduct sector-level scenario analyses based on the principle of reasonable effort. This approach aims to monitor risks through qualitative assessments, taking into account current data limitations, and to provide input for medium-term strategic plans.	
		In current assessments, the financial impacts of physical climate risks are primarily addressed using qualitative methods. More comprehensive quantitative analysis studies are planned for the future, in parallel with data access and methodological development.	
Risk Category		Physical Risks	
		The Parent Bank continues to implement various direct and indirect mitigation practices to reduce the impact of physical climate risks on operational processes and to increase corporate resilience to climate change. This includes supporting business continuity, emergency and crisis management processes; and implementing control mechanisms to ensure the uninterrupted continuation of critical operations.	
		Procedures for maintaining operational continuity have been defined within the Emergency Control Center and Emergency Action Plans, and the aim is to strengthen response capacity through regular training and drills. Furthermore, efforts are underway to expand digitalization applications in operational processes, support remote access infrastructures, and increase the resilience of critical systems.	
		Energy and resource efficiency practices are also among the key elements contributing to reducing the indirect impacts of physical risks. This includes monitoring energy consumption, increasing operational efficiency, and optimizing resource use. Climate change and adaptation criteria are considered in technical evaluation processes, and the integration of a sustainability approach into operational decision-making processes is supported.	
		In addition, climate change, sustainability, and emergency awareness training is provided to employees; and the goal is to increase the organizational preparedness level against physical climate risks through the development of corporate capacity.	
		In addition, 14 employees participated in the TSRS Training, which was held in person on March 19, 2025; 3 employees participated in the "What You Need to Know About the New Climate Law" Training, which was organized online by an external source on July 31, 2025; and a total of 9 employees participated in specialized training sessions on climate finance, climate risk scenarios, matching heat maps with loan portfolios, and TSRS expectations.	

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Risk Category	Physical Risks
Risk Identification	Acute physical climate risks may negatively impact the operational processes, revenue structures, and asset resilience of our customers in our credit portfolio due to extreme weather events, floods, heat waves, droughts, and fires occurring in the regions where they operate. This could lead to deterioration in their credit repayment performance and an increased risk of delays or defaults.
Value Chain	Credit Portfolio
	C- Manufacturing
Location/Sector	D- Production and distribution of electricity, gas, steam and air conditioning
	K- Finance and Insurance Activities
Probability	3
Impact	4
Risk Score	12
NGFS Net Zero Scenario Analysis	Short Term (1–3 years): Within the framework of a low-emission and controlled transition path, the impact of physical climate risks on the credit portfolio is expected to remain limited. A limited increase in heatwaves (+0.2%) and a low increase in fire risk (+0.1%) are projected during this period. While acute weather events have the potential to create temporary impacts on customer operations, no significant deterioration in credit repayment performance is expected.
	Medium Term (3–5 years): Although a gradual increase in physical risks related to climate change is projected, the impact on the credit portfolio is considered manageable thanks to the development of adaptation capacity and the widespread adoption of resilience investments. During this period, an upward trend in heatwaves (0.4%) (0.4%) are observed, with a potential increase of up to 5% in flood-related damage in some sectors.
	Long Term (5 years and beyond): While an increase in the frequency of physical climate events is anticipated in the long term, the operational resilience of customers is expected to strengthen due to the impact of low-carbon transition and adaptation processes. During this period, heatwaves are expected to increase by 1.5%, fire-affected areas by 1.0%, and annual flood damage by up to 20%. Since the core assumptions of the NGFS Net Zero scenario (a low-carbon transition path where global warming is limited to ~1.5°C) remain unchanged, and the climate data and methodology have not been updated compared to the previous reporting period, the expected 20% increase in flood damage is consistent with the previous reporting period. Therefore, the potential financial impact on the loan portfolio is expected to be limited. While the changes in temperature, fire, and flood parameters are relatively limited, and the operations of customers in the loan portfolio are not expected to be significantly affected, monitoring studies are ongoing in selected climate-sensitive sectors (e.g., agriculture, tourism), taking regional differences into account.

Risk Category	Physical Risks
NGFS Current Policies Scenario Analysis	Short Term (1–3 years): An increase in the frequency and intensity of extreme weather events is anticipated. While the effects of heat and fire may remain limited, regionally, particularly during the summer months, production process efficiency losses, transportation delays, and cash flow stress may occur. Customers operating in sectors particularly sensitive to physical risks may experience temporary disruptions and increased costs in their operational processes.
	Medium Term (3–5 years): Under a high-emission scenario, the impact of heat waves, floods, droughts, and energy infrastructure disruptions on customer operations is expected to become more pronounced. Flood-related damage could reach up to 20%, increasing maintenance and repair requirements and project delay risks, especially in infrastructure and construction projects. Consequently, the likelihood of deterioration in credit risk indicators may increase.
	Long Term (5 years and beyond): With the intensification of physical climate risks, a greater impact on customers' revenue structures, asset resilience, and operational continuity is anticipated. During this period, the effects of temperature are projected to reach 3.5%, fire risk 2.5%, and flood damage 50%. These levels could strengthen credit risk factors such as a decline in physical asset values and weakening of collateral in some sectors (e.g., cement, energy, construction). This could increase the risk of delays in loan repayments, an increased probability of default, and a deterioration in the quality of the loan portfolio.
Maturity	It is expected to happen in the short term.
Current Impact	Acute physical climate risks can affect the operational processes of our clients in our loan portfolio through physical hazards such as extreme weather events, floods, heat waves, and fires that may occur in the regions where they operate. While currently no systemic and direct significant credit deterioration due to physical climate risks is observed across the Parent Bank's loan portfolio, it is assessed that physical risk vulnerabilities may increase in certain sectors and geographic regions. With the increase in physical risks such as extreme weather events, drought, and depletion of water resources, the resilience of the projects financed by the Parent Bank to environmental conditions will become more critical. The integration of measures to address these risks (e.g., emergency action plans, green infrastructure investments, risk-sharing mechanisms) into project feasibility studies will be mandatory. This may increase the complexity of technical consulting processes and extend pre-investment preparation times. Acute physical risks may cause a decrease in the income of our clients in our loan portfolio and the destruction of their assets. These consequences may lead to delays or defaults in loan repayments for our clients.

STRATEGY

Risk Category	Physical Risks	Risk Category	Physical Risks
Anticipated Effect	It is anticipated that the frequency and severity of acute physical risks may increase in line with the long-term effects of climate change. Customers operating in sectors highly susceptible to physical risks are expected to experience increased operational costs, production disruptions, and deterioration in cash flow. This could put pressure on loan repayment performance and lead to a deterioration in credit risk indicators. With the increase in physical risks such as extreme weather events, drought, and water scarcity, it is assessed that the Parent Bank's financed projects may require increased investment, particularly in infrastructure, to improve their resilience to chronic climate conditions. Additional costs for repairing potential physical damage may increase, potentially leading to delays or defaults in loan repayments for our customers. Furthermore, it is recommended that the long-term budgeting consider the increased maintenance and repair needs and rising insurance premiums associated with the increase in chronic climate risks (e.g., rising temperatures, floods) in financed projects.		
Financial Impacts and the Financial Items It Affects	The physical climate risks related to the Parent Bank's loan portfolio have been assessed. The analyses consider the impact of extreme weather events occurring in customers' operating regions on operational continuity, production capacity, revenue structure, and asset resilience. Since location-based vulnerability data, facility-scale climate modeling, and historical damage records are not available for customers, the responses of the loan portfolio to physical climate risks cannot be quantified. The regional scale of the NGFS scenarios and their lack of alignment with customer data are also among the main reasons preventing financialization. In this context, in accordance with paragraphs 19-21 of TSRS 2, this risk is reported only qualitatively. Due to the lack of facility-level climate hazard, resilience, and damage data, the monetary provisions for credit risks cannot be estimated. It is assessed that potential impacts may be concentrated particularly on credit risk costs, provision expenses, and loan portfolio quality. The realization of physical risks could negatively impact "Gross Loans," "Provisions," and "Impairment Expenses." There is a risk of increased default rates and deterioration in repayment performance.	Action Plan	In scenario analyses, the aim is to develop sector-based risk assessment studies in order to more effectively manage the impact of physical climate risks on the credit portfolio. In this context, it is planned to strengthen the climate-related data infrastructure, refine geographic vulnerability analyses, and expand the scope of scenario analyses. Scenario analyses foresee an increase in heatwave, fire, and flood risks in the sectors where our customers operate. Accordingly, it has been assessed that sectors with high physical risk sensitivity stand out in terms of risk spread. In this context, within the scope of the Parent Bank's Environmental and Social Risk Assessment process, customers are expected to prepare Emergency Action Plans specific to their activities. In addition to sectoral assessment, the geographic vulnerability dimension of risk has also been addressed in the analyses conducted this year, and it has been determined that customers operating in the same sector may have different levels of physical risk exposure in different geographic regions. Thus, the aim is to ensure that customers are prepared for physical climate risks and to reduce the impact of these situations on their loan repayment performance. This practice is carried out within the scope of existing internal procedures and is a proactive measure for the entire portfolio depending on the sectoral spread of risk.
Risk Mitigation Activities	The Parent Bank integrates environmental and social risk assessment processes into its credit allocation and monitoring mechanisms to mitigate the impact of physical climate risks on its loan portfolio. This includes diversifying the loan portfolio across different sectors to increase resilience against these risks. Additional assessment and monitoring processes may be applied for sectors and activities with high physical risk sensitivity. As part of the Environmental and Social Risk Assessment, clients are required to prepare Emergency Action Plans, thus supporting them in being better prepared for risks and minimizing potential losses.	Direct and Indirect Mitigation Efforts	In the 2024 report, the Action Plan was structured solely around reputational/transition risk, addressing the financial and reputational liabilities arising from non-compliance with carbon regulations through short (1-3 years), medium (3-5 years), and long (5 years+) term classifications. Measures presented included an Environmental and Social Risk Policy, risk rating in credit applications, emission declaration commitments, and monitoring mechanisms. The 2025 report, while maintaining this content, expanded the physical climate risk dimension with a completely new addition: sector-based risk assessment studies, strengthening climate-related data infrastructure, refining geographic vulnerability analyses, and sectoral and geographic assessments of concrete physical hazards such as heat waves/fires/floods. The Parent Bank aims to support its clients' resilience to physical climate risks through sustainable financing practices and environmental-social risk management processes. In this context, financing approaches supporting energy efficiency, climate adaptation, resource efficiency, and resilient infrastructure investments are evaluated. Furthermore, internal capacity-building activities and climate risk awareness campaigns are ongoing. While 59 projects were included in the Environmental and Social Risk Assessment process in 2024, this number increased to 184 projects in 2025. Environmental and social obligations are imposed on projects, making client-specific emergency and adaptation plans mandatory. Environmental obligations are included in project contracts to encourage the reduction of indirect emissions.
Key Risk Indicators	- Default (Delay) rate - Number of ESRA projects		

STRATEGY

Risk Categorization	Transition Risks – Regulatory Risk
Risk Identification	EU Taxonomy, Carbon Border Adjustment Mechanism, Turkish Sustainability Reporting Standards, national emissions trading system and similar climate-related regulations may create compliance obligations, reporting requirements and additional cost pressures for the Parent Bank’s own operations, subsidiaries and customers in its loan portfolio. This situation may affect the financial performance and loan repayment capacity of customers operating in carbon-intensive sectors in particular, leading to increased credit risk, compliance risk and operational costs for the Parent Bank.
Value Chain	Banking Operations, Subsidiaries and Credit Portfolio (Group)
Probability	5
Impact	5
Risk Score	25
NGFS Net Zero 2050 Scenario Analysis	Short Term (1–3 years): Due to regulations such as carbon pricing, CBAM, TSRS, and sustainability reporting, compliance, reporting, and data preparation obligations are expected to increase for the Parent Bank and its customers in the loan portfolio. In the Net Zero 2050 scenario, the impacts are assessed to remain manageable due to the early and orderly progress of the transition.
	Medium Term (3–5 years): As the transition to a low-carbon economy accelerates, the investment needs, conversion costs, and reporting obligations of customers operating in carbon-intensive sectors may increase. However, the predictability of the policy framework can facilitate customer conversion planning, limiting risks on the loan portfolio.
	Long Term (5 years and beyond): Increased pressure for the conversion of carbon-intensive activities is expected in line with net-zero targets. However, it is anticipated that early transition and orderly policy implementation will lead to the widespread adoption of low-carbon investments, and transition risks will remain manageable through sustainable financing and risk management practices.

Risk Categorization	Transition Risks – Regulatory Risk
NGFS Current Policies Scenario Analysis	Short Term (1–3 years): Due to the limited impact of current policies, transition pressure is expected to remain at a lower level in the short term. However, compliance costs and reporting obligations may increase for customers operating in carbon-intensive sectors with the entry into force of CBAM, TSRS, and national regulations.
	Medium Term (3–5 years): Insufficient acceleration of climate policies may lead to delays in the low-carbon transition and the accumulation of structural risks in carbon-intensive sectors. This may put pressure on customers’ competitiveness, export performance, access to finance, and cash flow.
	Long Term (5 years and beyond): If current policies continue, it is assessed that higher financial pressure may arise in carbon-intensive sectors due to an uneven and delayed transition or increased physical risks. In this context, customers may experience a decrease in asset values, an increase in operating costs, a weakening of their credit repayment capacity, and an increase in risk costs in the Group’s loan portfolio.
Maturity	It is expected to happen in the short term.
Current Impact	With the entry into force of climate-related regulations such as CBAM, TSRS, EU Taxonomy, and national sustainability regulations, reporting, data collection, compliance, and monitoring obligations are increasing for the Parent Bank and its clients in the loan portfolio. It is assessed that this may put pressure on financial costs, export processes, competitiveness, and access to finance, particularly for clients operating in carbon-intensive sectors. Within the scope of our World Bank TIER project, targeted financing for investments in emission reduction by clients in carbon-intensive sectors (cement, iron and steel, etc.) has been provided since 2024, and the volume of loans in this scope increased in 2025. This increase reflects not a change in the general lending policy for these sectors, but rather an expansion of a targeted and selective financing application linked to TIERP criteria. The impact of this change on the Group’s financial performance remains above 5% of PBT; therefore, a significant impact of this risk on the Parent Bank’s financial performance is currently observed, and the effects on the loan portfolio, operational processes, and reporting obligations need to be closely monitored as the scope of the regulations expands.
Anticipated Effect	In line with carbon pricing, CBAM and sectoral regulations, credit risk premiums are expected to increase in projects financed in sectors with high transition risk, such as cement, iron and steel, and textiles. This increase may be reflected in higher interest rates and tighter collateral requirements in credit conditions. It is likely to have an impact on the Parent Bank’s risk appetite and portfolio quality indicators.

STRATEGY

Risk Categorization

Transition Risks – Regulatory Risk

As of the reporting period of 31.12.2025, the Parent Bank’s loan portfolio has been analyzed to assess the potential impact of climate change-related transition risks on credit risk indicators. The study was prepared based on the outputs of the Expected Credit Loss (ECL) model, and loans subject to transition risk rating comprise approximately 89% of the total loan portfolio. Furthermore, provisions related to the loans analyzed for transition risk constitute approximately 92% of the total ECL amount. These coverage ratios demonstrate that the analyses performed produce meaningful and highly representative results regarding the transition risk impacts across the portfolio.

Within the scope of the analysis, customers were classified into five different transition risk categories: Low, Moderately Low, Moderate, Moderately High, and High, considering the level of impact of climate change on their sectors, carbon intensity, risk of exposure to regulatory changes, and capacity to adapt to a low-carbon economy. For each risk level, coefficients affecting the probability of default (PD) were applied as 3%, 6%, 9%, 12%, and 15%, respectively. Due to historical data limitations, these coefficients were determined with a cautious approach in line with sectoral practices and expert opinions, and evaluated together with the climate risk variables included in credit rating models.

In the 2024 assessment, the transition risk impact coefficients were applied as a multiplier according to the risk level (1 for low, 1.25 for medium-low, 1.5 for medium, 2 for medium-high, 2.5 for high). In 2025, this methodology was revised by switching to an approach that applies a direct percentage impact (3%–15%) on the PD; the aim of this change is to reflect the impact between risk categories in a more gradual and proportional manner.

The renewable energy segment was subjected to a separate assessment considering its position in the transition process to a low-carbon economy. In this context, all customers in the renewable energy segment were considered to be at a low transition risk level, and no additional risk impact arising from the transition risk was foreseen for these customers. Therefore, the PD impact coefficient in this segment was considered neutral and applied as 0%.

As a result of the calculations performed, the Parent Bank’s total reported contingency risk (CRIS) amount as of 31.12.2025 has been determined as TRY 1.722 billion. While the CRIS amount for the portfolio subject to the transition risk calculation was TRY 1.568 billion, this CRIS amount increased to TRY 1.576 billion after reflecting the transition risk effects on customer-based credit risk parameters. Accordingly, the additional CRIS effect due to transition risk has been calculated as approximately TRY 7.45 million. This increase corresponds to 0.43% of the total reported CRIS amount.

Financial Impacts and the
Financial Items It Affects

Risk Categorization

Transition Risks – Regulatory Risk

In the 2024 evaluation, the total CRIS was reported as TRY 1.8 billion; when the transition risk variable was added, the CRIS increase was calculated as TRY 7,900,080.66 (0.44% of the total). Furthermore, in the 2024 assessment, the carbon intensity variable was considered as a separate component, and when this variable was added, an additional increase of approximately TRY 8.5 million in the CRIS was detected; for existing customers with Scope 1–2 emission data, the CRIS amount increased from TRY 255 million to TRY 263.6 million. In the 2025 assessment, the transition risk effect was calculated using a single holistic set of coefficients, and carbon intensity was included in the transition risk category as one of the sectoral classification criteria, not as a separate component. In this context, for customers with existing Scope 1–2 emission data, the CRIS amount increased from approximately TRY 196 million to approximately TRY 205 million.

Therefore, although the CRIS increase rates for 2024 and 2025 (0.44% and 0.43%) are at similar levels, they are not directly comparable in terms of calculation methodology.

As of 31.12.2024, the reported portfolio CRIS calculated on the basis of Scope 1 and Scope 2 emissions was TRY 196,568,746.9, and the CRIS reflecting this addition was calculated as TRY 205,871,052.19.

The difference between these two figures is TRY 9,302,306.50, corresponding to 0.54% of the total reported CRIS. The analysis results reveal that climate transition risks have a measurable impact on the credit portfolio, but considering the current portfolio structure and customer distribution, this impact remains limited on the total CPI level. The fact that the impact of transition risk on the total credit portfolio was 0.43% indicates that the Parent Bank’s loan portfolio exhibited a relatively resilient profile against climate transition risks during the analysis period. However, considering factors such as the tightening of climate policies, the widespread adoption of carbon pricing mechanisms, the acceleration of technological transformation, and the diversification of sectoral adaptation processes to a low-carbon economy, it remains important to regularly monitor the impact of transition risks on the credit portfolio and update the methodologies used in line with evolving data sets. This study is considered an important application aimed at strengthening the Parent Bank’s capacity to measure and manage the financial impacts of climate risks.

As of 31 December 2025, the entire portfolio subject to the Parent Bank’s risk exposure (TRY 4,527,621.38 thousand) consists of sectors falling within the scope of the Carbon Border Adjustment Mechanism (SKDM/CBAM) – namely iron-steel, cement, fertilizer, and aluminum.

75.6% of this balance (TRY 3,421,851.12 thousand) falls under the “High” risk category, primarily originating from the Basic Iron and Steel Products sector (TRY 2,995,347.14 thousand) and the Cement Manufacturing sector (TRY 426,503.97 thousand). 19.4% (TRY 876,242.84 thousand) is classified under the “Moderately High” category, originating from Fertilizer Production and steel pipe/profile manufacturing, while the remaining balance is composed of smaller amounts in the “Moderately Low” and “Moderate” categories within the aluminum sector.

Financial Impacts and the
Financial Items It Affects

STRATEGY

Risk Categorization	Transition Risks – Regulatory Risk
Risk Mitigation Activities	The Parent Bank is holistically developing its sustainability, environmental and social risk management, credit assessment, and reporting processes to manage regulatory transition risks. In credit processes, customers' environmental and social risk profiles, sectors, carbon intensity, and regulatory exposure are considered; additional assessment, monitoring, and action plan processes are implemented where necessary. Furthermore, through sustainable financing products, customers' investments in energy efficiency, renewable energy, low-carbon production, and climate adaptation are supported.
Key Risk Indicators	Share of sectors that may be affected by CBAM and carbon pricing mechanisms in the loan portfolio
	Due to the credit-heavy structure of the Parent Bank's portfolio, the systematic integration of climate and sustainability risks into credit risk management processes remains crucial.
	In this context, climate risk and sustainability criteria have been included in the Parent Bank's corporate, SME, and project loan rating models; these variables are reflected directly or indirectly in customer rating notes. In the rating models for corporate and SME customers, factors such as carbon pricing mechanisms, CBAM compliance obligations, regulatory restrictions for high emission-intensive sectors, and transition costs are taken into consideration. In project loan rating models, the level of impact of climate change on project activities, resource and raw material risks, and environmental performance indicators are used to determine the customer risk profile.
	Transition risk variables have been integrated into the Expected Credit Loss (ECL) studies conducted under TFRS 9 to measure the potential impact of climate risks on the credit portfolio. In this context, customers were classified into five different risk categories: Low, Moderately Low, Moderate, Moderately High, and High, taking into account the capacity of their sectors to adapt to a low-carbon economy, the level of impact from regulatory transformation, and sectoral transition risks. Impact coefficients of 3%, 6%, 9%, 12%, and 15% were applied to the probability of default (PD) depending on the transition risk levels. Due to historical data limitations, these coefficients were determined in line with sectoral practices and expert opinions.
Action Plan	As of December 31, 2025, the Parent Bank's total reported expected credit loss (ECL) amount was calculated as TRY 1,722,074,564. Loans subject to transition risk rating comprise approximately 89% of the total loan portfolio, and provisions related to these loans comprise approximately 92% of the total liabilities. The ECL amount for the portfolio subject to the transition risk calculation was TRY 1,568,293,545, while after reflecting the transition risk effects in the credit risk parameters, the relevant ECL amount increased to TRY 1,575,743,552. Thus, the additional ECL effect due to transition risk was calculated as approximately TRY 7.45 million, which corresponds to 0.43% of the total reported ECL.
	The analysis results reveal that climate transition risks have a measurable but limited financial impact on the credit portfolio. The low level of CBT increase due to transition risk is due to the fact that a significant portion of the Parent Bank's portfolio is concentrated in sectors with a low transition risk profile, and especially in renewable energy investments. In this context, all customers in the renewable energy segment were evaluated in the low transition risk category, and the transition risk impact coefficient was considered neutral and applied as 0% for these customers.

Risk Categorization	Transition Risks – Regulatory Risk
	As a result of the studies conducted, it is planned to continue working on strengthening the integration of climate risks into credit risk management processes, regularly monitoring transition risks on a customer and sector basis, and updating the methodologies used in line with evolving data sets. In addition, the impact of climate risks on the Parent Bank's capital adequacy, provisioning level, and portfolio quality will continue to be evaluated through prospective stress tests and scenario analyses.
Action Plan	The Parent Bank's Operational Risk Base Amount (~TRY 12.9 Billion), calculated based on the Parent Bank's Income Statement at the end of 2024, has increased to (~TRY 20.3 Billion) as of the end of 2025. This amount, reported to the Banking Regulation and Supervision Agency (BRSA) (calculated using the same format as multi-branch banks), is considered to be more than sufficient to meet the Parent Bank's capital needs related to operational risk due to climate and environmental risks in both periods.
Direct and Indirect Mitigation Efforts	The Parent Bank enhances its capacity to adapt to transition risks through sustainability reporting, emission monitoring, and energy and resource efficiency studies in its own operations. On the loan portfolio side, it supports the transition to a low-carbon economy through sustainable financing practices, environmental and social risk assessment processes, and customer monitoring mechanisms. In this context, the aim is to strengthen customers' ability to comply with regulations by financing investments in renewable energy, energy efficiency, resource efficiency, clean production, and climate adaptation.

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Risk Categorization		Transition Risks–Reputational Risk	
Risk Identification		Financing activities that negatively impact climate change, projects posing high environmental and social risks, or clients with limited transformation capacity may result in reputational damage, decreased investor confidence, failure to meet stakeholder expectations, and potential regulatory sanctions for the Parent Bank. In particular, deficiencies in environmental and social risk management processes or failure to meet climate-related expectations could negatively impact the Parent Bank’s corporate reputation.	
	Value Chain	The Parent Bank’s Operations, Subsidiaries and Credit Portfolio	
	Probability	3	
	Impact	3	
	Risk Score	9	
NGFS Net Zero 2050 Scenario Analysis		Short Term (1–3 years): With the acceleration of the low-carbon transition process, investors, international financial institutions and regulatory authorities are expected to have increased expectations regarding environmental and social performance. In this context, the Parent Bank’s sustainable financing approach, environmental and social risk management practices, and reporting processes may be more closely monitored by stakeholders. As of 2025, emission limit exceedances exceeding TRY 1.3 million and reporting violations amounting to approximately TRY 250 thousand pose a significant operational risk. However, no expected loss occurred during the reporting period in relation to these incidents, and the matter continues to be closely monitored by the Parent Bank.	
		Medium Term (3–5 years): With the acceleration of the low-carbon transition in line with net-zero targets, financing provided to customers operating in carbon-intensive sectors is expected to be evaluated more intensively in terms of environmental and social performance. The Parent Bank’s sustainable financing practices, environmental and social risk management capacity, and transparent reporting approach may become more decisive in terms of corporate reputation.	
		Long Term (5 years and beyond): With increasing global expectations for combating climate change, the importance of financing practices supporting the low-carbon transition will increase. In this context, effective management of environmental and social risks, development of sustainable financing activities, and the continuation of transparent reporting practices will be critical for protecting the Parent Bank’s reputation.	

Risk Categorization		Transition Risks–Reputational Risk	
NGFS Current Policies Scenario Analysis		Short Term (1–3 years): Due to limited progress in climate policies and persistent regulatory uncertainties, criticism of the environmental and social performance of clients operating in carbon-intensive sectors may increase. This could create reputational risk for the Parent Bank through financing provided to these sectors.	
		Medium Term (3–5 years): If the transition process is delayed and carbon-intensive activities continue, expectations regarding environmental and social performance are expected to become more pronounced by investors, international financial institutions, and other stakeholders. Financing activities, particularly those targeting high-emission sectors, may create reputational pressure for the Parent Bank.	
		Long Term (5 years and beyond): With increasing regulatory pressures and societal concerns stemming from climate change, financing activities with high environmental and social risks may create a higher reputational risk for the Parent Bank. This could negatively impact investor relations, access to international finance, and stakeholder trust.	
Maturity		It is expected to happen in the short term.	
		In the context of combating climate change, expectations regarding environmental and social performance are increasing among investors, international financial institutions, regulatory authorities, and other stakeholders. In this context, environmental compliance processes, emission performance, and sustainability practices of clients operating in carbon-intensive sectors have become more important for the Parent Bank. Currently, the Parent Bank integrates environmental and social risk assessment processes into its lending mechanisms and applies additional review and monitoring processes for high-risk activities. However, the risk of reputational damage and stakeholder pressure remains if activities that negatively impact climate change are financed. This risk is considered to be more pronounced, particularly for SMEs with low environmental compliance capacity in the short term; financing projects and companies that negatively impact climate change is monitored as a risk factor that can lead to reputational damage as well as potential financial penalties. In 2024, no financial penalty cases occurred due to projects financed by the Parent Bank in this context, and this risk will continue to be monitored in 2025 using the same method (within the scope of additional review and monitoring processes).	
Current Impact			

STRATEGY

Risk Categorization		Transition Risks–Reputational Risk	
Anticipated Effect	Within the scope of NGFS scenario analyses, it is assessed that financing provided to customers with poor environmental and social performance may pose a reputational risk for the Parent Bank as climate-related regulations and expectations for sustainable finance increase. While the risks are expected to remain at a more manageable level in the Net Zero 2050 scenario due to the orderly progress of the transition, it is foreseen that stakeholder pressures and reputational risks may increase in the Current Policies scenario due to delays in the transition process and the continuation of carbon-intensive activities. In particular, it is assessed that financing provided to high-emission sectors may put pressure on investor confidence, access to international finance, and corporate reputation. In the long term, it is assessed that with the implementation of carbon regulations and potential sanctions, the position of firms that continue to be non-compliant within the Parent Bank's portfolio may be re-evaluated, and financial relationships with these customers may be restricted.		
Financial Impacts and the Financial Items It Affects	Reputational risk can lead to indirect financial impacts such as weakened investor confidence, difficulties in accessing international financing sources, increased funding costs, and a decrease in sustainable financing capacity. Furthermore, it is assessed that reputational damage associated with SMEs with weak environmental compliance capacity may create secondary effects on financial statement items such as "Gross Loans," "Provisions," and "Interest Income." Financing activities with high environmental and social risks could negatively impact our Bank's brand value and new business development capacity. It is assessed that potential impacts may be concentrated particularly on funding costs, access to financing, loan portfolio size, and sustainable financing performance.		
Risk Mitigation Activities	The Parent Bank integrates environmental and social risk assessment processes into its credit allocation and monitoring mechanisms to manage reputational transition risks. In this context, environmental and social impact assessments are conducted for high-risk sectors and activities, and action plans and monitoring obligations are implemented where necessary. Accordingly, assessments are carried out under the Unfunded Activities List, and loans are absolutely not provided to projects on this list. For projects not on the list, climate adaptation and mitigation conditions are included in the loan agreements. Furthermore, the Parent Bank aims to reduce climate and sustainability-related reputational risks through sustainable financing practices, sector policies, prohibited activity lists, and environmental-social compliance criteria.		
Key Risk Indicators	- Number of Climate Finance-Related Lawsuits - Number of Clients/Investments Subject to Lawsuits Related to Environmental Issues		

Risk Categorization		Transition Risks–Reputational Risk	
Action Plan	If climate change–adaptive transformation does not occur at a sufficient pace, customers in the Parent Bank's loan portfolio may face financial, operational, and reputational pressures. It is assessed that the reputational risk may increase, particularly for customers operating in carbon-intensive sectors, if they fail to comply with environmental and social obligations, cannot maintain transparency processes, or are inadequate in emission management.		
	Based on analyses conducted under the NGFS Net Zero 2050 and Current Policies scenarios, it is expected that pressure on customers regarding reporting and compliance obligations will increase in the short term; and in the medium and long term, carbon regulations, investor expectations, and sustainable financing criteria will become more decisive. In this context, it is assessed that customers with poor environmental and social performance may experience difficulties in accessing financing, increased stakeholder pressure, and deterioration in their credit risk profiles.		
	To mitigate these risks, the Parent Bank integrates an Environmental and Social Risk Management approach into its loan allocation and monitoring processes. Environmental and social risk levels of customers are assessed within the scope of loan applications; and environmental and social action plans, commitment mechanisms, and monitoring processes are implemented where necessary. Annual monitoring plans are developed, particularly for clients operating in high carbon-intensive sectors, and progress in emission management and sustainability performance is tracked.		
	Furthermore, in line with NGFS scenario analyses, the goal is to develop sector-based risk analyses, strengthen data infrastructure, and more strongly integrate climate-related risk indicators into credit decision-making processes in order to more effectively assess the impact of transition risks on the credit portfolio.		
Direct and Indirect Mitigation Efforts	The Parent Bank is developing environmental and social risk management processes, sustainable financing practices, and sector-based assessment mechanisms to mitigate reputational risks arising from the transition. In this context, a list of non-financed activities is implemented, and assessment criteria for activities with high environmental and social risks are integrated into credit processes.		
	Portfolio-based emission calculation studies are conducted to monitor the impact of carbon-intensive sectors within the credit portfolio; portfolio-based emissions calculated under Category 15 (financed emissions) increased by 248% from 468,258 tCO ₂ e in 2024 to 1,629,646.57 tCO ₂ e in 2025.		
	The aim is to support low-carbon investments and sustainable financing practices. Furthermore, environmental and social risk assessment processes are carried out by expert teams, Environmental and Social Action Plans (ESAPs) are prepared for projects deemed necessary, and monitoring mechanisms are implemented.		
		The Parent Bank includes environmental and social criteria in project contracts to improve clients' environmental and social compliance capacity; The company regularly monitors developments related to emission management, sustainability performance, and environmental compliance processes. Furthermore, it aims to increase transparency capacity through the development of digital documentation, data management, and sustainability reporting processes.	

STRATEGY

Opportunity Category		Transition Opportunities – Supporting Local Green Transition, Access to Green Finance and Portfolio Expansion	
Opportunity Description		The European Green Deal, the Paris Agreement on Climate Change, sustainable finance regulations, and climate-focused international policy frameworks are increasing access to green financing sources; this is accelerating demand for financing in areas such as renewable energy, energy efficiency, low-carbon technologies, sustainable infrastructure, and climate adaptation investments. This transformation creates significant opportunities for the Parent Bank in terms of developing sustainable financing products, gaining access to new customer segments, increasing international sourcing, and strategically diversifying its loan portfolio towards low-carbon sectors.	
Value Chain		The Parent Bank's Operations, Subsidiaries and Credit Portfolio	
Impact		5	
Probability		5	
Expected Maturity		It is expected to happen in the short term.	
Current Impact		The integration of environmental and social risks into financial decision-making processes has accelerated the transformation of credit assessment criteria, particularly in sectors with high carbon risk. In this context, an increase in demand for financing in low-carbon sectors and sustainable investments is observed. Credit demands for renewable energy, energy efficiency, sustainable infrastructure, and climate adaptation investments support the Parent Bank's sustainable financing portfolio.	
		At the same time, the increase in climate-focused resources from international development finance institutions strengthens the Parent Bank's diversification of resources in the field of sustainable finance. In line with these developments, the Parent Bank's sustainable financing capacity, thematic loan applications, and financing activities for projects with high environmental impact are gaining strategic importance.	

Opportunity Category		Transition Opportunities – Supporting Local Green Transition, Access to Green Finance and Portfolio Expansion	
Anticipated and Future Impact		Under the NGFS Net Zero 2050 scenario, the acceleration of the transition to a low-carbon economy is expected to increase the need for financing for sustainable finance, green transformation, and climate adaptation investments. Increased demand for renewable energy, energy efficiency, low-carbon industrial practices, clean transportation, and sustainable infrastructure investments could contribute to the Parent Bank's loan portfolio growing in sectors with positive environmental impact.	
		It is assessed that the Parent Bank's access to cost-effective external resources could increase as international financial institutions expand their climate-focused funding mechanisms and sustainable finance markets develop. This could support the diversification of sustainable finance products, the expansion of the customer base, and a stronger position in financing projects with high environmental impact.	
Financial Impacts and the Financial Items It Affects		In the Current Policies scenario, while the transition is expected to be slower, resulting in more gradual transformation opportunities, it is assessed that the need for climate-related financing will continue to increase in the long term.	
		As a result of these developments, the share of SDG-compliant investments in the portfolio reached a level parallel to that of 2024 by the end of 2025; and the total size of both investment and operating loans for projects financed under Sustainable Development Goal 13 (Climate Action) increased.	

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Opportunity Category

Transition Opportunities – Supporting Local Green Transition, Access to Green Finance and Portfolio Expansion

In line with international climate policies such as the European Green Deal and the Paris Climate Agreement, increased access to green financing sources is rapidly increasing loan demands for areas with high growth potential such as renewable energy, energy efficiency, and sustainable infrastructure. This trend enables the Parent Bank to reach new customer segments through its sustainability-themed products and services and to diversify its portfolio in line with strategic priorities.

In 2025, the Parent Bank’s support for green and sustainable investments gained significant momentum. By the end of 2025, the Parent Bank’s share in Türkiye’s total installed renewable energy capacity reached 7%. During the same period, the Parent Bank established a strong resource structure with multilateral agreements supporting business development processes. For example:

- A loan agreement of **TRY 2.13 billion** (USD 50,000,000) signed with the **OPEC Fund**; Support has been provided to finance the investment and working capital needs of businesses affected by the earthquake, especially those operating in the agriculture and food production sectors.
- Support for projects aimed at reducing carbon emissions in Türkiye’s industrial sector has begun through loan agreements signed with the **World Bank** totaling **TRY 10 billion** (EUR 200 million) and **TRY 8.5 billion** (USD 200 million).
- Within the scope of agreements with the **World Bank**, **TRY 15 billion** (EUR 300 million) in loans and **TRY 642.6 million** (USD 15 million) and **TRY 64.2 million** (USD 1.5 million) in grants have been provided for the financing of battery energy storage systems.
- Green 4 loan of **TRY 8.5 billion** (USD 200,000,000) with **JBIC**
- Climate loan of **TRY 5 billion** (EUR 100,000,000.00) and loan of TRY 502.8 million (EUR 10, 000,000.00) signed with **KfW**
- Resource agreement of **TRY 4.25 billion** (USD 100,000,000.00) with **IsDB** for food security investments,
- A total agreement of **TRY 8.5 billion** (USD 200 million) was signed with the **Asian Infrastructure Investment Bank (AIIB)** to support projects focused on combating climate change and digital infrastructure.
- A loan agreement totaling **TRY 13.9 billion** (equivalent to USD 325 million) was signed with the **Asian Development Bank (ADB)** to increase renewable energy capacity in earthquake-affected regions and strengthen the competitiveness of the manufacturing sector.
- A loan agreement of **TRY 2.5 billion** (EUR 50 million) was signed with the **Italian Development Bank (CDP)** to support solar energy investments in the earthquake region.

The Parent Bank has signed a loan agreement with the World Bank under the Türkiye Industrial Emissions Reduction Project (TIERP) to support the reduction of air pollutant and greenhouse gas emissions in industrial facilities. The loan has a maturity extending until 2049. The resource is used to finance projects that will provide measurable carbon and air pollutant emission reductions in existing industrial facilities and covers sectors such as metal production, mining, chemicals, waste management and textiles. The environmental and social risk management of the projects is regularly monitored through a steering committee involving the relevant ministries and the IBRD, and criteria related to women’s employment and participation are also prioritized.

Opportunity Category

Transition Opportunities – Supporting Local Green Transition, Access to Green Finance and Portfolio Expansion

Key Indicators

The share of SDG-compliant projects in the portfolio

The Parent Bank aims to enhance its sustainable financing capacity, product diversification, and international access to resources in order to maximize the benefits of transition opportunities. In this context, sustainable financing frameworks are being updated, thematic loan products are being developed, and climate contribution criteria are being more strongly integrated into project evaluation processes.

Action Plan

Through collaborations with international financial institutions, the Parent Bank aims to increase access to affordable long-term resources, develop new funding mechanisms, and support the financing of low-carbon investments. Furthermore, work is underway to improve data management, impact reporting, and portfolio monitoring processes to track sustainable financing performance.

In addition, the Parent Bank aims to increase expertise in sustainable finance, climate risks, and green transformation through internal capacity-building activities.

* Exchange rate (USD) calculated using the Central Bank’s buying rate as of 31.12.2025 (42.8457).

** Exchange rate (EUR) calculated using the Central Bank’s buying rate as of 31.12.2025 (50.2859). (https://www.tcmb.gov.tr/kurlar/kurlar_tr.html)

STRATEGY

IMPACTS OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON THE BUSINESS MODEL AND VALUE CHAIN

The Parent Bank addresses the risks and opportunities arising from climate change not only as an environmental issue but also as a strategic and operational agenda. Physical risks include external impacts such as floods, droughts, and extreme weather events that can directly affect investments in the client portfolio. Therefore, encouraging clients to develop adaptation measures against acute physical risks is critical for maintaining portfolio quality and ensuring the Parent Bank's financial stability.

Transition risks, on the other hand, increase the need for transformation in the business model through topics such as regulatory compliance, fulfilling sustainability commitments, and financing green transformation investments. In this context, financing structured with a focus on a low-carbon economy strengthens the Parent Bank's sectoral position and creates a competitive advantage.

The Parent Bank is establishing a more robust and efficient structure in areas such as climate risk analysis and credit risk scoring by developing digitalization, automation, and data-driven decision support systems in operational processes. This transformation improves the quality of decision-making, reduces operational errors, and shortens the time to achieve strategic goals.

In addition, the sustainability approach attracts investors with high environmental and social awareness, expanding the green investment portfolio and diversifying funding sources. The effective use of thematic funds enhances the capacity for new product development, giving the business model an innovative and adaptable structure.

Development finance institutions, customers, project development processes, technology and infrastructure management, which are the first and second-level components of the value chain, play a critical role in the climate mitigation and adaptation process. The Parent Bank's credit policies and sustainability-focused technical consultancy services enable customers to make climate-related improvements in their operations; supporting the widespread adoption of low-carbon production, energy efficiency, and circular economy practices. These effects not only contribute to reducing customers' climate risks but also directly support the Parent Bank's business model by reducing project risks and strengthening loan repayment performance.

Thanks to strategic partnerships developed with international financial institutions and development funds within the value chain, financing of low-carbon and climate-resilient investments is increasing; accordingly, climate-related opportunities are spreading to all stages of the value chain. In contrast, transition risks such as changes in the regulatory framework and carbon pricing affect every element of the value chain, leading the Parent Bank to develop climate-compliant products and services.

The expected impact of this transformation is the evolution of the business model, which offers sustainable financing and technical consulting services, into a more resilient, agile, and climate-focused structure. Thus, the Parent Bank plays an active role not only in managing climate risks but also in developing innovative solutions that contribute to net-zero targets. Consequently, the Parent Bank's business model and value chain are undergoing a transformation process that strengthens its capacity to generate sustainable value through climate risk management and climate opportunity assessment. This transformation also contributes to long-term value creation in strategic areas such as corporate reputation, employee engagement, and customer satisfaction.

ASSUMPTIONS, SOURCES, AND QUANTITATIVE CHANGES BY TIME HORIZON USED IN SCENARIO ANALYSES

The Parent Bank uses specific fundamental assumptions and reference sources in its climate scenario-based analyses; and estimates short, medium, and long-term financial impacts within this framework. These analyses were conducted based on the NGFS Net Zero 2050 and Current Policies scenarios, World Bank PMR carbon price projections, and Türkiye's climate policy frameworks (NDC, TSRS, CBAM, and ETS drafts) in studies initiated in 2025 and completed in 2026.

AREAS WHERE RISKS AND OPPORTUNITIES ARE CONCENTRATED BY SECTOR AND ASSET

Climate-related risks and opportunities within the Parent Bank's business model and value chain occur at different levels of intensity and impact depending on geographical location, sector, and asset type.

1. Sectoral Concentration

Climate-related physical and transition risks create different dynamics across three main sectors in Türkiye. A multi-layered assessment, based on official reports from national meteorological authorities and past disaster statistics, examines flood/rainfall, wind/storm, landslide, and earthquake risk factors at the district and coordinate level. In this context, compared to the Solar Power Plant and Construction and Modernization sectors, which constitute the majority of the portfolio, the Chemical sector, represented by a limited number of projects, shows a relatively higher average risk score.

The increasing trend of flood/rainfall and landslide risks over time, particularly in the project portfolio concentrated in Van, İzmir, and Ankara provinces, is among the key determinants of sectoral and geographical assessments.

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2. Concentration Based on Asset Types

High-emission, outdated assets (e.g., power generation plants and industrial infrastructure) are identified as a high-risk asset group in relation to climate regulations and require restructuring.

Infrastructure investments (e.g., HVAC systems, insulation and drainage systems) are critical for climate adaptation, increasing physical resilience but creating high capital requirements. Data management and digital infrastructures have become critical in measuring and managing climate risks, playing a significant role in portfolio monitoring and decision support systems.

The transition risk and carbon intensity analyses conducted in 2025 represent the first methodological applications for measuring the impact of climate risks on the credit portfolio. In this context, transition risk rating studies were created on a client-by-client basis and integrated into internal assessment processes for credit counterparty risks.

While carbon intensity analysis was performed based on Scope 1 and Scope 2 emission data, it was limited to a small number of clients with data access. The findings of these analyses are discussed in detail, along with their methodology and scope, in the presentation titled “Climate Risks – Risk Management Unit,” and provide content that can be referenced in audit processes. However, comparative quantitative indicators within the portfolio according to sector-based risk concentration and emission intensities have not yet been systematically reported.

The Parent Bank’s climate strategy aims to reduce financial exposure in sectors with low ESG compliance in the short term, to diversify the income base through thematic financing sources in the medium term, and to gain a competitive advantage in sustainable finance in the long term. This strategic approach includes managing climate-related risks as well as evaluating the opportunities arising in the green transition process.

Climate-related risks and opportunities are addressed at the level of relevant committees and senior management within the Parent Bank’s governance structure; the integration of climate risks into credit processes and strategic decision-making mechanisms is ensured. Monitoring, reporting, and control mechanisms related to climate risks are strengthened by ensuring coordination among relevant units.

The Parent Bank evaluates climate-related physical and transition risks within the framework of their potential impacts on the credit portfolio. It conducts early warning systems and restructuring analyses for sectors and asset types with high-risk intensity. Climate risks are integrated into the existing risk management framework and treated as a complementary element in counterparty risk assessments.

Transition risk ratings and carbon intensity analyses constitute the Parent Bank’s initial set of metrics regarding climate risks. While the metrics currently have limited data coverage, the goal is to expand data coverage on a client and sector basis and to create comparable metrics across the portfolio in the future. Accordingly, it is planned to gradually include quantitative indicators related to climate risks in reporting.

RISKS AND OPPORTUNITIES THAT MAY REQUIRE ADJUSTMENT TO ASSETS AND LIABILITIES

Parent Bank closely monitors factors that could potentially impact financial statements in asset types where climate-related risks are concentrated. Risky assets are specially classified; early-stage analyses are conducted for projects that may require restructuring. In the coming period, it is anticipated that scenario-based analyses of the impacts of climate risks on book values will be reported in more detail.

The Parent Bank supports the transition to low-carbon technologies through investment plans that are not contractual but are considered within the scope of its strategic priorities; and aims to increase its sustainable financing capacity in the 2024–2026 period.

PLANNED FUNDING SOURCES AND THEIR IMPACTS FOR IMPLEMENTING THE CLIMATE STRATEGY

To implement its climate strategy, the Parent Bank is diversifying its thematic financing sources and structuring its long-term capital planning in line with climate goals. In the short term, increased risk premiums and selective financing policies are prominent, while in the medium term, the goal is to increase the share of sustainability-themed products in the portfolio. In the long term, the aim is to strengthen income stability through risk-aligned pricing mechanisms.

Planned Financing and Revenue–Expenditure Structure within the Scope of the Parent Bank’s Climate Strategy / AIIB*

In line with its climate strategy, the Parent Bank has reached an agreement with the Asian Infrastructure Investment Bank (AIIB) for an on-lending facility focused on climate and digital transformation for the period 2025–2028, with the aim of supporting sustainable and resilient development. This resource will be used to finance investments in climate mitigation (CM), climate adaptation (CA), and digital infrastructure (DI), in line with the Paris Climate Agreement (PCA).

Funding Sources

The TRY 8.5 billion loan to be provided by the AIIB has a 15-year term and includes a 3.5-year grace period. The funds will be provided in US dollars and euros and will be directed only to private sector investments. 90% of the loan is classified as climate finance, with 85% allocated to mitigation projects (renewable energy and energy efficiency), 5% to adaptation projects, and 10% to digital infrastructure investments.

Revenues

The aforementioned resources will be used as sub-loans for private sector projects. the Parent Bank will earn interest income and service fee income from these sub-loans; these revenues will create a sustainable financing base in the implementation of the climate strategy. The minimum maturity of the sub-loans is 4 years, and the loan amount can reach up to a maximum of USD 30 million per project. Thanks to this structure, regular income streams will be provided in the medium and long term. The returns obtained from the projects will also be directed to similar sustainable investments, creating a circular financing mechanism.

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Costs and Expenditures

During the implementation of the loan, project evaluation, environmental and social compliance analyses, field audits, and reporting activities will be carried out through the Project Implementation Unit (PIU) established within the the Parent Bank. Expenditures include technical consultancy services, internal and external audit activities, capacity building programs, and the establishment of reporting systems agreed upon with AİIB. Environmental and social (E&S) risk assessments and gender equality-focused analyses related to sub-projects are also among the cost items.

Timing and Financial Impact

The project implementation period is planned as September 2025 – December 2028. During this period, loan allocations will be made, and monitoring and reporting activities will be carried out. Medium and long-term income streams will be generated with the repayment of sub-loans, and the sustainable financing capacity of the Parent Bank will be strengthened. As a result, this structure aims not only to secure external financing but also to create a sustainable income model that contributes to the country's climate goals through long-term resource transfer to the private sector.

Financing and Income–Expenditure Structure Planned Within the Scope of the Parent Bank Climate /CDP

The Parent Bank, within the scope of the Italian Climate Fund, Cassa Depositi e Prestiti S.p.A. It aims to support renewable energy investments in regions affected by the February 6, 2023 earthquake and contribute to green economic recovery through the loan planned to be provided by CDP. The financing to be provided in this context will be transferred to private sector projects through sub-loans to be provided for the installation of photovoltaic solar energy systems.

**The Central Bank USD Exchange Rate as of 31.12.2024 was calculated as 35.2868.*

*** The Central Bank USD Exchange Rate as of 31.12.2025 was calculated as 42.8457.*

Financing Sources

The lender is Cassa Depositi e Prestiti S.p.A., on behalf of and for the account of the Italian Ministry of Environment and Energy Security. The loan amount is a maximum of TRY 2.5 billion, with a maximum term of 10 years and a 3-year grace period.

Revenues

The funds provided by the loan will be channeled into private sector projects for photovoltaic system installation, and the Parent Bank will earn interest income and service fee income from these sub-loans.

Costs and Expenses

Costs incurred during the loan period will be covered by the Parent Bank. These costs include legal consultancy services, stamp duties, setup and operation of reporting systems, environmental and social impact assessment processes (E&S Appraisal), and technical monitoring and verification activities.

All cost items will be invoiced separately within the scope to be negotiated with CDP.

Timing and Financial Impact

The loan term is set at 36 months from the date of signing. The Parent Bank can make a maximum of five drawdowns within this period.

In conclusion, this financing structure planned with CDP supports the Parent Bank's green credit mechanism for the private sector and strengthens the Parent Bank's financial capacity in line with its sustainable development goals. The fact that the loan is structured with the principles of transparent reporting, environmental-social compliance, and circular resource use directly contributes to Türkiye's climate-focused recovery process.

ASSET REPOSITIONING AND TRANSFORMATION

According to the results of the current scenario, the Parent Bank has adopted the following practices:

- Project evaluations are being reclassified based on carbon footprint criteria and technical transformation potential.
- Priority transformation areas have been identified as outdated industrial infrastructure, conventional energy projects, and agricultural investments with high water consumption.

INVESTMENTS IN MITIGATION, ADAPTATION, AND RESILIENCE

The Parent Bank's current and planned investments are structured according to climate action priorities as follows:

In 2024, a total of 56.53 billion (USD 1.602 billion) worth of renewable energy investments were financed; these projects provided 3,691.4 MWh of production and achieved an annual reduction of approximately 4.2 million tons of CO_{2e} emissions. In 2025, a total of 68.68 billion (USD 1.603 billion) worth of renewable energy investments were also financed, and these projects provided 3,474 MWh of production and achieved an annual reduction of approximately 3.9 million tons of CO_{2e} emissions.

RISK MANAGEMENT

In line with its development banking mission and responsible banking approach, the Parent Bank considers risk management as an integral element of corporate governance in all areas of its operations. The Parent Bank aims to identify, measure, and monitor potential risks at an early stage; and to manage them with mitigating measures when necessary, keeping risks within limits consistent with the Parent Bank's risk appetite and strategic objectives. In this context, risk management practices are carried out in compliance with the Banking Law, Law No. 7147 on the Parent Bank, the Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process, and other relevant regulations.

Climate-related financial risks are also integrated into the Parent Bank's overall risk management framework and managed within the scope of the corporate internal control structure and the three-line defense approach. This approach supports the treatment of climate risks not only as a reporting issue but also as a traceable and auditable risk area embedded in processes. The Parent Bank's Risk Management Policy, Risk Management Monitoring Procedure, Environmental Aspects and Risk Assessment Procedure, and other relevant regulations ensure that the identification, assessment, monitoring, and mitigation of climate risks are included in corporate operations.



RISK MANAGEMENT

THREE LINES OF DEFENSE STRUCTURE AND MANAGEMENT OF CLIMATE RISKS

The first line of defense, operational units (e.g., Credit Allocation, Credit Portfolio Management and Monitoring, Project Finance, and Corporate Banking), are responsible for integrating climate risks into daily workflows. In this context, the goal is to make risks visible by considering climate-related indicators in credit allocation and monitoring processes, to manage risk factors appropriately, and to develop action plans when necessary. At the portfolio level, elements such as greenhouse gas emissions, carbon footprint, climate sensitivity, and adaptation capacity are included in the assessment perspective along with sector and geographic region-based climate risk classes defined within the scope of the Parent Bank's Climate Risk Management Policy, and customer and project-based risk profiles. These elements are monitored through emission data and key risk indicators obtained under TSRS 2, creating a holistic data base that supports decision-making processes such as credit allocation, pricing, collateral structure, and monitoring frequency.

As the second line of defense, the Risk Management Unit and the Internal Control and Compliance Unit monitor the consistency and effectiveness of the climate risk management framework and ensure that processes are aligned with the Parent Bank's policies and procedures.

These units monitor checkpoints that strengthen the integration of climate risk into decision-making mechanisms, develop improvement proposals were deemed necessary, and support the operation of practices within a holistic internal systems approach. Furthermore, input is provided to risk management practices by evaluating the potential impacts of climate risks on the Parent Bank's capital adequacy and operations through stress tests and scenario analyses. The Parent Bank uses climate scenario analysis to identify its climate-related risks. In this context, scenario sets published by the Network for Greening the Financial System (NGFS) are used to assess physical climate risks; and the Current Policies and Net Zero 2050 scenarios, also under the NGFS umbrella, are used to assess transition risks. Through these scenarios, the physical impacts that climate change may create under different socio-economic development paths are evaluated together with the financial and operational impacts that may arise during the transition to a low-carbon economy.

The third line of defense, the Inspection Board (Internal Audit), independently audits the effectiveness and adequacy of the Parent Bank's internal systems, including climate risk management. The Inspection Board evaluates the compliance of processes with legislation and legal regulations and supports the Board of Directors' oversight function through audit findings and recommendations.

REPORTING AND MANAGEMENT MECHANISMS

This governance structure is complemented by regular reporting to senior management and the Board of Directors through the Parent Bank's decision-making committees (e.g., Asset-Liability Committee, Credit Evaluation Committee, and Audit Committee). Findings related to these processes are reported periodically, providing the knowledge of relevant committees at the senior management level, thereby ensuring timely and accurate decision-making.

INTEGRATED MANAGEMENT SYSTEM

The Parent Bank operates an Integrated Management System compliant with national and international management system standards, primarily TS EN ISO 9001:2015 Quality Management System, ISO 10002:2018 Customer Satisfaction Management System, ISO 14001:2015 Greenhouse Gas Emissions Management System, ISO 45001:2018 Occupational Health and Safety Management System, and ISO 14064-1 Greenhouse Gas Emissions Management System, to ensure the identification, evaluation, monitoring, and effective management of risks that may arise within the scope of banking activities with a corporate approach.

In this context, sustainability and climate-related risks and opportunities are integrated into the relevant policies, procedures, and control mechanisms as part of the Parent Bank's overall risk management approach, in line with the Guide on the Management of Climate-Related Financial Risks published by the BRSA and the provisions of TSRS 2. Exposures arising from physical and transition risk factors are systematically assessed based on relevant risk types, primarily credit, market, liquidity, operational, and reputational risk, and are rated according to risk profiles created for each customer and project. Monitoring, evaluating, and following up on necessary corrective actions for identified risks is carried out in coordination with the Risk Management

Unit, the Sustainability and Environmental Social Impact Management Unit, the Engineering Unit, the Credit Allocation Unit, the Credit Portfolio Management and Monitoring Unit. Findings from these processes are reported periodically to senior management and relevant committees, thus ensuring timely and accurate decision-making.

The Integrated Management System established within the Parent Bank aims to develop, implement, and continuously improve policies and practices in the areas of Quality, Environment, Occupational Health and Safety, and Information Security and Data Privacy. Within this framework, the system; The integrated management system encompasses the requirements of the following standards: TS EN ISO 9001:2015 Quality Management System, ISO 10002:2018 Customer Satisfaction Management System, ISO 14001:2015 Greenhouse Gas Emissions Management System, ISO 45001:2018 Occupational Health and Safety Management System, ISO 27001 Information Security Management System, and ISO 27701:2019 Personal Data and Information Privacy Management System, as well as the TS EN ISO 14064-1 Greenhouse Gas Emissions Management System and Greenhouse Gas Protocol Scope 3 calculation and reporting standards. Responsibilities for the implementation and monitoring of the integrated management system are undertaken by the Sustainability and Environmental Social Impact Management and Strategy and Organization and Information Security units. These units are responsible for identifying, evaluating, monitoring, and operating relevant control processes related to sustainability and climate-related risks and opportunities within their respective areas of responsibility and authority. The findings are regularly communicated to the relevant governance mechanisms and management levels; where necessary, corrective actions are identified and integrated into the processes.

RISK MANAGEMENT

General Risk Assessment Methodology and Model

The Parent Bank applies a comprehensive risk assessment methodology in line with the Parent Bank’s internal regulations and national/international standards in order to systematically identify, measure, and manage environmental, social, and corporate risks that may arise from its activities and the projects it finances.

Risk Assessment Model and Formula

In climate risk assessment processes, the “EYS.48-F Risks and Opportunities Analysis Form” is used to evaluate potential risks and opportunities, considering criteria such as frequency of occurrence, effectiveness of existing controls, degree of impact, and probability of occurrence. This ensures the determination of the risk level and the planning of necessary actions.

The data obtained from this form is used to mitigate negative impacts, evaluate opportunities, and ensure continuous improvement in accordance with the risk-based thinking approach of ISO standards. These analyses are presented to the Board of Directors as part of the Risk Control Self-Assessment study prepared annually by our unit.

The model and formulas used in the Risk Control Self-Assessment study are as follows:

The Parent Bank’s risk assessment model is based on a quantitative approach using a “probability x impact” matrix:

$$\text{Risk Score (R)} = \text{Probability Score (O)} \times \text{Impact Score (E)}$$

Frequency (rate) of past encounters	0	0.20	0.25	0.33	0.40	0.50	0.50	0.60	0.67	0.75	0.80	1.00	1.25	1.33	1.50	2.00	3.00
	Very Low					Low				Medium			High				

DEGREE OF EFFECTIVENESS OF CONTROLS

1	Very Low	There is no control over the process.
2	Low	Although the process structure can be controlled through the system, the controls are carried out manually. The controls are not capable of eliminating risks.
3	Medium	Controls have been largely provided (systematic control/confirmation/manual control). However, there are measures that can be taken to completely eliminate the risk.
4	High	As a result of the studies carried out by the unit, everything has been done to control the process. However, there is still a possibility, albeit low, that a risk may arise.
5	Very High	The control of the process is carried out completely systematically and all possible risks are eliminated.

Probability Scoring Scale

Error Frequency	Error Frequency Score		Transaction Frequency	Transaction Frequency Score
No errors have been detected in relation to the process.	0	Very Low	-	-
More than 1 year	1	Very Low	>1 month	1
Once a year	2	Low	Monthly	2
Monthly	3	Medium	Weekly	3
Weekly	4	High	Daily	4
Daily or more	5	Very High	<1 hour	5

In the 2024 reporting period, climate risks were assessed using a 3x3 risk matrix, structured to reflect the definitions of short term (1–3 years), medium term (3–5 years), and long term (5+ years). In 2025, in parallel with the assessment work carried out under the Parent Bank’s Risks and Opportunities Analysis Form, the criteria for likelihood of occurrence, effectiveness of existing controls, degree of impact, and probability of

realization were addressed in greater detail; accordingly, the risk rating transitioned from the 3x3 matrix to a 5x5 matrix to enable a more sensitive and granular scoring.

This change was implemented to expand the existing assessment methodology and enable more detailed prioritization of risks/opportunities; it does not replace the previous year’s assessment approach but merely increases the sensitivity of the scaling.

RISK MANAGEMENT

Risk Impact Criteria and Levels

Score	Impact	Financial (Ratio of Financial Loss to Equity)*(10^7)	Accessibility	Legal Obligation	Customer Satisfaction	Reputation
0	No Impact	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
1	Insignificant	Loss ratio between 0 and 5	Informed or non-informed service interruption with no observed impact on the customer or an impact on the Bank's internal users	Non-compliance with laws/ regulations, but easily correctable without penalty	Complaints to other organizations, low number of customer losses	Low reputational impact, easily correctable situation
2	Negligible	Loss ratio between 5 and 50	Uninformed service interruption with no observed impact on the customer or an impact on the Bank's internal users	Application of minor penalty terms due to non-compliance with laws/ regulations	Customer complaints not subject to penalty terms / limited collective customer loss	No negative news in the sector or local media, no direct impact on the customer
3	Medium	Loss ratio between 50 and 250	Interruptions observed in minor services offered to the customer or in minor services used internally by the Bank	Application of significant penalty terms due to non-compliance with laws/regulations	Customer complaints subject to penalty terms / limited collective customer loss	Negative news in the sector or local media and/or complaint from a few related customers
4	Significant	Loss ratio between 250 and 500	Local/partial or general service interruption offered to the customer within a certain RTO (Recovery Time Objective), or local/partial service interruption used internally by the Bank within a certain RTO	Initiation of legal investigation or monetary penalty related to non-compliance with a specific law/ regulation	Significant collective customer loss subject to penalty terms	Negative news in the sector or national media and/or reputational loss within the industry/ organization
5	Very Significant	Loss ratio greater than 500	Local/partial or general service interruption not restorable to the customer within a certain RTO, or local/partial service interruption used internally by the Bank not restorable within a certain RTO	Provisions and penalties related to the prevention of banking activities (branch closure, suspension of exchange transactions, etc.), risk of losing the Bank's license	Complete loss of a segment/ sector	Long-term negative campaign in the sector or national media, damage to company reputation and trust

RISK MANAGEMENT



PROBABILITY OF OCCURRENCE		Frequency of Encounters in the Past				
		Very Low	Low	Medium	High	Very High
Effectiveness of Controls	Very High	Very Low	Very Low	Low	Medium	High
	High	Very Low	Low	Medium	Medium	High
	Medium	Low	Low	Medium	Medium	High
	Low	Low	Medium	Medium	High	Very High
	Very Low	Medium	Medium	High	Very High	Very High

Risk Score Classification

LEVEL OF ACCEPTABILITY OF THE RISK		PROBABILITY OF OCCURRENCE				
		Very Low	Low	Medium	High	Very High
IMPACT OF RISK	Very High	Critical	Unacceptable	Unacceptable	Unacceptable	Unacceptable
	High	Critical	Critical	Unacceptable	Unacceptable	Unacceptable
	Medium	Acceptable	Critical	Critical	Critical	Unacceptable
	Low	Acceptable	Acceptable	Acceptable	Critical	Critical
	Very Low	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable

Assessment Criteria and Application Cycle

- Climate-related risk and opportunity assessments are conducted at least once a year; the study is updated periodically when new activities, significant changes, or extraordinary developments occur.
- The calculated risk score is directly reflected in the relevant target and activity plans; it is used as a key input in prioritization and action planning.
- Legal compliance requirements and the Parent Bank's policy framework are taken into account when conducting assessments; processes are operated in a manner consistent with these two axes.

Identifying Climate-Related Risks and Opportunities

The Parent Bank applies a multi-dimensional scenario analysis approach in assessing climate-related risks and opportunities, considering both physical and transition risks. In this context, scenario sets published by the Network for Greening the Financial System (NGFS) are used as the basis for assessing physical climate risks. Thus, the aim is to jointly evaluate the physical

impacts that climate change may create under different socioeconomic development paths, as well as the financial and operational impacts that may arise during the transition to a low-carbon economy. The outputs obtained from the scenario analyses are used as input in determining the potential impacts on the Parent Bank's loan portfolio, financed activities, and operations; and are integrated into the risk assessment and prioritization processes.

Climate risk analyses applied in investment and financing processes evaluate the physical risks to financed assets within an analytical framework, using flood/rainfall, wind/storm, and landslide parameters. This assessment infrastructure addresses the current situation risk profile at the operational level by focusing on historical data sets and the recurrence intervals of extreme events, rather than the macro-scale uncertainties brought about by long-term emission scenarios. In this way, the real physical risk posed by facilities that may be affected by meteorological factors becomes measurable and analytically manageable in line with the Parent Bank's sustainability principles.

RISK MANAGEMENT

In transition risk analyses, the effects of carbon pricing mechanisms, CBAM obligations, regulatory changes, technological transformation, changes in energy markets, and sustainable finance practices on sectors have been evaluated. In this context, the potential effects of different transition paths on the Parent Bank's loan portfolio have been analyzed, particularly using Current Policies and Net Zero 2050 scenarios in line with NGFS scenarios.

The findings obtained from the scenario analyses are used as input in the processes of reviewing credit policies, evaluating risk appetite, analyzing sector-based exposures, and prioritizing risk mitigation actions. The analysis approach supports not only the identification of risks but also the strengthening of monitoring mechanisms and their integration into decision-making processes.

The climate risk assessment process is carried out in accordance with the Environmental and Social Risk Assessment Procedure, Risk Management Policy, and credit allocation processes. In this context, the outputs obtained from the scenario analyses are shared with the relevant committees and units; Sustainability, risk management, and credit processes are integrated into decision-making processes through coordination mechanisms.

Identifying Risks and Opportunities

The outputs obtained from the analyses conducted within the scope of the Current Policies and Net Zero 2050 scenarios published by NGFS for transition risks were used as the main reference in the creation of the Parent Bank's climate risk and opportunity inventory. As a result of these analyses, climate metrics with a high impact were identified; the potential impacts of these metrics on the Parent Bank's credit portfolio and operational activities were evaluated and integrated into the risk inventory studies.

In evaluating the financial significance of climate-related risks and opportunities, the sectors to which the credit portfolio is exposed, potential credit risk impacts, possible consequences on financing activities, and the impacts on the Parent Bank's short, medium, and long-term financial resilience are taken into consideration.

A risk assessment methodology based on the "probability × impact" approach was used in the identification and classification of climate risks. Risks were evaluated by considering the probability of occurrence, level of financial impact, operational impacts, regulatory impacts, and sectoral vulnerability criteria; and were classified at different risk levels as high, noteworthy, and acceptable in line with the scores obtained. During the assessment process, the Parent Bank's Environmental and Social Risk Assessment Procedure and the methodology and control mechanisms defined within the Integrated Management System were referenced; the analysis outputs were included in the relevant control and approval processes.

In this context, the climate risks identified for the Parent Bank were analyzed in relation to the relevant climate parameters. The probability of occurrence and potential impacts of the risks were evaluated separately in short, medium, and long-term perspectives; the results obtained were reflected in the risk inventory in a way that supports the Parent Bank's risk prioritization approach. Transition risks were analyzed within the scope of NGFS scenarios, taking into account regulatory, technological, and market transformations in the transition process to a low-carbon economy. Compared to 2024, there are no changes in the risk assessment approach and the prioritized climate risks.

The same scenario analysis framework is used in identifying climate-related opportunities. Within the scope of the NGFS Net Zero 2050 scenario, green finance,

sustainable investment, and portfolio diversification opportunities that may arise with the acceleration of the transition to a low-carbon economy are evaluated; in the Current Policies scenario, it is predicted that these opportunities will emerge more slowly over time but increasingly in the long term due to the more gradual progress of the transition. The outputs obtained from scenario analyses are used as input in prioritizing opportunities and in decision-making processes regarding the sustainable financing strategy.

The financially significant climate risks and opportunities that emerge as a result of the analyses are addressed in a way that provides input to the Parent Bank's risk management processes, strategic assessments, and decision-making mechanisms.

Thanks to the joint evaluation of different scenario sets, how climate risks can take shape not only under a single assumption but also under different socioeconomic development paths and transition dynamics has been addressed holistically. Thus, the Parent Bank's climate risk inventory has been built on a more robust and traceable structure that covers different risk types and time perspectives.

Assessment of Climate Risks and Opportunities

The Parent Bank follows a structured, corporate-scale approach to identify, assess, and integrate climate-related risks and opportunities into its decision-making processes. This approach is carried out in accordance with the Parent Bank's Environmental and Social Risk Assessment Procedure, Sustainability Policy, Climate Change Mitigation Policy, Climate Risk Management Policy, and credit assessment process flows.

Within this process, climate-related risks and opportunities are identified, assessed, prioritized, and regularly monitored, taking into account their potential impacts, probability of occurrence, and the Parent Bank's level of exposure. In addition, where appropriate, outputs from climate scenario analyses are used as a supporting input in the assessment processes of climate-related risks and opportunities.

Assessments proceed through the "Environmental and Social Risk Assessment System which is based on project-based analyses. Within the system, climate risks are treated as a priority risk category; ratings are made according to the project risk level. Thus, the impact of climate-related risks and opportunities is concretized not only within a general framework but also by considering the specific conditions of the process and project.

At the corporate level, climate risks are reviewed regularly as part of the strategic risk management approach. Annual assessments examine the scope of risks, their distribution by sector and geography, and the Parent Bank's exposure profile; monitoring plans are updated by prioritizing sectors and regions deemed high-risk. The monitoring process aims to track how relevant risks evolve over time and the effectiveness of the measures taken. Outputs from the assessment of climate-related risks and opportunities are integrated into the Parent Bank's overall risk management processes; they provide input for the development of strategic risk assessments, risk management practices, and related management processes. The assessment results are regularly communicated to the Board of Directors and the Sustainability Committee within the reporting cycle; thus, providing an up-to-date information base for governance and decision-making processes.

RISK MANAGEMENT

In the physical climate risk assessment conducted within this scope, 38 different projects in the Parent Bank's portfolio were evaluated under the risk categories of flood/rainfall, wind/storm, landslide, and earthquake, and an average risk score was derived for each project. When the sectoral distribution is examined, it is seen that the majority of the portfolio (34 projects) consists of Solar Power Plant projects, followed by Construction and Modernization (16 projects) and Wind Power Plant (2 projects); the average sectoral risk scores range between 1.94 and 2.75, with the only project in the Chemical sector standing out with a relatively high-risk profile. Geographically, the projects are spread across a wide range of provinces, but the clustering of projects in Ankara (7), Van (5) and İzmir (4) provinces is noteworthy. As a result of the evaluation, 1 of the 38 projects is classified as "High Risk", 22 as "Medium Risk", 28 as "Low Risk" and 4 as "Very Low Risk." The projects and regions deemed high-risk have been prioritized and included in the monitoring plans.

Risk Prioritization

The Parent Bank addresses climate-related risks as part of its corporate risk management approach and evaluates these risks within a systematic framework. As of 2023, climate risks have been defined, measured, and classified for the first time using a holistic approach; thus, a structured process has been initiated to integrate risks into the Parent Bank's overall risk management objectives. At the core of this approach is the joint assessment of the probability of occurrence and the potential impact of the risk.

Climate risks are evaluated together with the credit, market, operational, and other corporate risk categories to which the Parent Bank is exposed; priority is determined by considering the magnitude of the risk, the probability of occurrence, its financial and operational impacts, and its strategic importance.

The "probability × impact" logic is used in prioritizing risks. Each risk is scored based on its impact level (1–5) and probability level (1–5), and the risk score (1–25) is calculated by multiplying these two components. Thus, the aim is to conduct a balanced assessment that considers not only a single dimension of the risks, but also the probability of occurrence and the consequences it may create.

The risk scores obtained within the prioritization process are used to determine the intensity of risk management and monitoring; for high-priority risks, more frequent monitoring, detailed analysis, and, where necessary, the implementation of risk mitigation actions is ensured.

Based on the obtained scores, risks are grouped into five levels:

- Acceptable (1–4)
- Considerable (5–7)
- Moderate (8–11)
- High (12–15)
- Very High (16–25)

This classification helps to determine which risks require increased monitoring frequency and which risk areas require stronger action sets. In practice, risks with a score above 12 are considered "significant risks" that are more closely monitored in the management agenda.

The prioritization process is deepened by taking into account the structure of the portfolio and sectoral vulnerabilities. For example, the relatively high weight of the energy sector in the Parent Bank loan portfolio and its sensitivity to the transition to a low-carbon economy necessitate a separate analysis of the risks related to this sector. Within this framework, customers in the renewable energy segment are evaluated in the **"low transition risk"** category; the potential impact on their PD (probability of default) indicators is



considered "neutral." To establish an analytical basis for the methodology, data sets available on a customer basis were evaluated through discussions with relevant business units. Accordingly, it was determined that in 2024, transition risk data for 241 customers and Scope 1-2 carbon intensity data for 146 customers were available, while in 2025, transition risk rating data for 249 customers and Scope 1-2 emission (carbon intensity) data for 119 customers were available. The increase in the number of customers for whom transition risk data is provided stems from the addition of newly included customers to the data sets. These data sets were analyzed, and it was assessed that both the transition risk rating data and the carbon intensity data were sufficient for use in calculations. Following this assessment, a stress test study was conducted to measure the impact of climate change-related risks – with transition risk and carbon intensity dimensions – on

the Parent Bank's loan portfolio. This study, conducted using Expected Credit Loss (ECL) data calculated as of the reporting date of 31.12.2025, analyzes the impact of transition risk and carbon intensity variables on customers' probability of default (PD) values.

Climate risks identified as a result of sectoral and portfolio-based assessments are considered in comparison with other risk categories.

RISK MANAGEMENT

Climate-related risks are assessed together with other fundamental risk types, including credit risks, market risks, operational risks, and information systems risks. The Parent Bank aims to establish a more structured framework for this approach in 2025; the integration of climate-related risks into the Parent Bank's overall risk management system has been strengthened. Furthermore, sectoral assessments utilize the determining parameters of the portfolio's climate analyses; climate risks are not considered as a separate category, but are included in the prioritization process within the Parent Bank's holistic risk assessment approach.

Financialization of Risks

The Parent Bank is developing a financialization approach through scenario analyses to make the financial impacts of climate-related risks more visible.



In the analyses conducted within the scope of physical risks, the effects of changes in selected climate metrics on the Parent Bank's situation, operational processes, and loan portfolio were evaluated; a special analysis framework was created with the assumption that these effects could lead to financial consequences. Accordingly, the potential losses that chronic and acute physical events may create at different maturities were addressed by relating them to the scenario outcomes.

In terms of transition risks, a national and international literature review was conducted based on the Net Zero 2050 and Current Policies scenarios; a methodological framework was developed to measure the impact of elements such as carbon pricing, regulatory changes, and technological transformation foreseen in the scenarios on the Parent Bank. The aim is to gradually mature an approach that can evaluate the reflection of transition dynamics on the risk profile in a more systematic way.

Among the climate-related risk headings addressed in this report, only "Regulatory Risk" entered the significant risk category with its financial impact (risk score 25). Other risk categories (Market Risk, Chronic Physical Risk, Acute Physical Risk, Technology Risk, Reputational Risk) were not considered "significant risk" in this reporting period because their scores were below 20; accordingly, financial impact assessments were carried out focusing on the risk areas prioritized as a result of the materiality assessment. It was stated in the previous reporting period that the quantitative information obtained would not be meaningful due to the measurement uncertainty in the calculation of these impacts, and since this measurement uncertainty continues this year, the assessment approach has been maintained in parallel with 2024.

For ECL calculations, the TFRS 9 framework was considered with the assumption that the relevant risk could be financialized. Accordingly, the channels through which the risk could be reflected in financial results, how a framework suitable for integrating climate scenarios into existing calculation approaches could be established, and under what data conditions more meaningful results could be obtained were evaluated.

In the 2024 reporting period, the Parent Bank conducted its first assessments of the financial impacts of climate-related transition risks, and these studies continued in 2025 in line with methodological improvements and advancements in data coverage. Furthermore, physical climate risks were included in the assessment scope for the first time in 2025. However, due to the insufficient data infrastructure, scenario analyses, and methodological maturity level required to reliably measure the financial impacts of physical risks, these risks were not quantified financially in this reporting period. The Parent Bank aims to assess the financial impacts of physical risks in the coming periods, in parallel with improvements in data quality and analytical capacity.

Additional Explanation

The Parent Bank is developing analysis sets compatible with the Parent Bank's portfolio structure and business model to make the financial impacts of climate-related risks more measurable within the framework of TSRS. In this context, studies have been conducted to quantify the portfolio-based transition risk impact; uncertainties regarding the assumptions used in the analyses and the measurement approach are also stated separately in the report in line with the principle of transparency.

As of December 31, 2024, an analysis was performed for a portfolio of approximately TRY 1.8 billion based on transition risk scenarios; according to the selected scenario set, the financial impacts (in provisions) increased by 0.44%. As of December 31, 2025, the analysis was repeated for a portfolio of approximately **TRY 1.7 billion** using the same method, and the financial impacts were evaluated comparatively. According to the results of the study, the size of the analyzed portfolio increased by **0.43%** among the scenarios. This finding is considered as an output of the assessment framework aimed at making visible the potential impacts of transition risk on portfolio composition and exposure size.

The approach employed is not positioned as a replacement for the classical credit rating parameters used in customer PD calculations. However, the study aims to establish a foundation for developing a risk-based methodology compatible with the Parent Bank's type of operation and making sensitivity to climate scenarios measurable.

Accordingly, it is considered to continue studies on modeling the impact of variables in climate scenarios on customer PDs and ECL indicators from a longer-term perspective, and to gradually strengthen the methodological infrastructure as the variety of current and historical data increases.

RISK MANAGEMENT

CLIMATE RISK MANAGEMENT AND MONITORING

OPERATIONAL CLIMATE RISK MANAGEMENT

The Parent Bank addresses climate-related risks as an integral part of its corporate risk management approach and manages these risks within a systematic framework. Within the Integrated Management System, climate risks are integrated into environmental and social impact assessment processes; the identification, measurement, and monitoring of risks at the project and operation levels are carried out in accordance with a corporately defined methodology.

In this context, the physical and transition risks that the relevant activities may be exposed to are considered in the climate risk identification process; risk levels are created and prioritization is carried out by evaluating the probability of occurrence and potential impacts of the risks.

A quantitative method based on a probability and impact matrix is used in the assessment of climate risks. Within this methodology, risks are scored by considering their probability of occurrence and their environmental, operational, financial, and regulatory impacts, and risk levels are determined in line with the results obtained. In the climate risk assessment processes, the 'EYS.48-F Risks and Opportunities Analysis Form' is used to identify potential risks and opportunities. The assessment is carried out by considering the frequency of encounters, the effectiveness of existing controls, the degree of impact, and the probability of occurrence, thereby determining the level of risk and planning the necessary actions. With the data obtained from this form, negative impacts are reduced, opportunities are evaluated, and continuous improvement is ensured in accordance with the risk-based thinking approach of ISO standards. These analyses are presented to the Board of Directors within the scope of the Risk Control Self-Assessment study prepared annually by our unit.

The models and formulas used in the Risk Control Self-Assessment study are as follows:

Immediate action is taken for activities with very high risk; rapid response plans are put into effect at high risk levels; preventive/mitigating measures are designed for significant risks, and acceptable risks are monitored and kept under control. Assessments of the current state of risks are regularly reviewed, the effectiveness of the actions taken is monitored, and risk levels are updated when necessary.

The Parent Bank evaluates climate risks not only from a regulatory compliance perspective but also from a strategic management and value creation approach. The stress tests and scenario analyses conducted enable the Parent Bank to foresee potential climate impacts on its capital adequacy and to plan appropriate strategic actions. Thanks to these studies, the financial and operational consequences of climate risks are identified at an early stage; the findings are directly reflected in the Parent Bank's strategic planning processes, resource allocation, and portfolio management decisions.

This approach to the strategic management of climate risks is also supported by studies aimed at measuring and monitoring the Parent Bank's sustainable finance practices. In this context, the Parent Bank continues its work on calculating the Green Asset Ratio (GAR) to evaluate the environmental sustainability performance of its financing portfolio, in line with national regulations and international sustainable finance practices.

At the Parent Bank, Green Asset Ratio (GAR) calculations are carried out based on the existing loan portfolio and in accordance with the classification criteria determined by the BRSA. The financings in the portfolio are classified according to the relevant criteria, and the calculation results are shared with the BRSA on a quarterly basis. The fact that the Parent Bank's financing portfolio consists significantly of renewable energy, energy efficiency, and other sustainable investment areas contributes to the high level of the Green Asset Ratio. Furthermore, data collection, classification, and verification processes related to Green Asset Ratio calculations are carried out efficiently and systematically thanks to the robust data infrastructure established within the Parent Bank, thereby easily supporting internal reporting and management processes.

MANAGEMENT OF CLIMATE RISKS IN LENDING PROCESSES

The Parent Bank addresses and manages climate-related financial risks, as well as environmental and social risks, with a holistic approach at all stages of the loan lifecycle. The Parent Bank's practices in this area are built upon the Environmental and Social Risk Assessment Procedure, Environmental and Social Action Plans (ÇSAP/ESAP), Risk Management Policy, Loan Allocation Processes Procedure, and other relevant internal regulations.

In risk assessment processes, environmental and social information obtained on a project and customer basis, sector and activity characteristics, project location, technology used, existing and foreseen regulatory requirements, and relevant data obtained from climate scenarios are considered as the basic inputs of the assessment process.

The Parent Bank addresses climate, environmental, and social risks in loan allocation and approval processes within an assessment structure that is compliant with

national legislation and international standards (IFC Performance Standards, World Bank Environmental and Social Framework, etc.).

All projects are categorized according to low, medium, and high-risk levels within the scope of Environmental and Social Risk Classification; Climate risks (transition and physical risks) are analyzed as one of the key components in this assessment. During the lending process, climate-related regulatory developments and transition risks (e.g., compliance with the CBAM, obligations arising from carbon pricing) and physical risks (e.g., floods, droughts, heat waves) are considered at the project and portfolio levels; the results are reflected in the risk scoring.

The magnitude and priority level of risks are assessed considering quantitative and qualitative criteria such as the probability of climate risks occurring, potential financial and operational impacts, the vulnerability of the sector, the level of exposure of the project to climate change, and its adaptation capacity.

During the credit assessment, for high-risk projects, carbon footprint calculations, energy efficiency measures, and climate adaptation requirements are considered mandatory elements, and binding environmental and social obligations are included in the loan agreements were deemed appropriate. In this context, matters such as submitting a greenhouse gas verification report, preparing a waste management plan, and/or implementing biodiversity monitoring approaches may be included among the contractual conditions. As part of the loan approval process, tools such as Environmental and Social Impact Assessment (ESIA), Environmental and Social Due Diligence (ESD), GAP Analysis, Environmental and Social Action Plan (ESAP), and independent monitoring reports are utilized; the scope and depth of the analysis are determined according to the project risk profile.

RISK MANAGEMENT



The loan monitoring process involves periodically monitoring whether the climate and environmental-social obligations determined during the allocation phase are being fulfilled. During the construction and operation phases, Environmental and Social Monitoring Reports are requested at specific intervals; implementation performance is evaluated through site visits, on-site audits, and stakeholder feedback. Based on the findings obtained from monitoring activities, risk levels are regularly reviewed, additional actions are determined where deemed necessary, and integrated into the relevant loan risk management processes.

The Parent Bank's environmental and social assessment criteria cover topics such as greenhouse gas emissions and carbon footprint, climate resilience and adaptation capacity, impacts on water resources and biodiversity, public health and safety, resettlement requirements, protection of cultural heritage, and labor standards. Risk scoring is carried out in line with these criteria, and necessary measures are identified. The processes are coordinated by the Sustainability and Environmental Social Impact Management Unit; and monitored by

the Risk Management Unit, the Internal Control and Compliance Unit, and the Audit Board. In this context, the results of climate and environmental-social risk assessments provide input to the Parent Bank's overall risk management processes; the determined risk levels, monitoring findings, and improvement needs are shared with the relevant units, and the necessary actions are integrated into the risk management processes.

INTEGRATION OF CLIMATE RISKS INTO OVERALL RISK MANAGEMENT

The Parent Bank positions climate-related risks as a component of its strategic risk management approach and addresses these risks in an integrated structure together with credit risk, operational risk, and other core risk types. Climate-related risks are defined under the headings of transition risks and physical risks, and are monitored by integrating them into the general risk management processes carried out within the scope of environmental and social risk management. This integration is operated in line with the Parent Bank's Risk Management Policy, Strategic Plan, Climate Risk Management Policy, and related procedures; and is governed through decision-making and oversight mechanisms at the senior management level, such as the Asset-Liability Committee, Credit Evaluation Committee, and Audit Committee.

Climate and environmental risk indicators have been established by 2025; planning studies have been carried out on how these indicators will be used within the operational risk framework and how they will be reflected in decision-making processes. Although a holistic scheme showing the information flow and notification processes between committees has not yet been included in the working set, it is foreseen that coordination between the relevant business units will be maintained and this structure will be developed in a way that is compatible with the Parent Bank's existing corporate risk management systems.

The climatic disaster risks of the planned investment regions are examined using a multi-layered methodology, referencing official reports from national meteorological authorities and real-world disaster statistics from previous years. The assessment begins with a macro analysis evaluating the general statistical risks of the province where the investment will be made. Subsequently, micro-scale analyses are carried out using reliable national and international databases, as well as meteorological atlases and datasets specific to the investment areas. Flood/Rainfall, Wind/Storm, and Landslide risk factors are examined in detail at the district and coordinate level. The results of these macro and micro-level analyses are processed in a risk matrix to determine the final climatic disaster risk score of the region. The earthquake risk assessment of the investment regions is carried out within the framework of the current Turkish Earthquake Hazard Map and Building Earthquake Regulations standards and data, which came into effect on January 1, 2019. Peak Ground Acceleration (PGA) calculations specific to the investment areas are used in these assessments. After determining the coordinate-based acceleration values of the investment area, this data is evaluated in a risk algorithm. Standardized risk scores are calculated using an acceleration spectrum ranging from low to high risk.

In the Parent Bank's approach to integrating climate risks into its overall risk management processes, there have been no changes in terms of process, methodology or distribution of responsibilities compared to the previous reporting period; practices related to the identification, assessment and monitoring of climate risks continue within the same framework as the previous year.

METRICS AND TARGETS

Greenhouse Gas Emission Metrics (Net Emissions)

The Parent Bank has calculated and reported greenhouse gas emissions in line with the GHG Protocol. The metrics produced during the reporting period are classified under the following scopes in terms of ton CO₂ equivalent (tCO₂e).

Calculations were carried out within the framework of four main asset classes. The data hierarchy and citation approach defined in the PCAF methodology were used in the calculations.

- For commercial loans, average emission intensities per thousand TRY were considered, based on TÜİK sector data and GICS coding.
- For project financing, emission estimates were made based on operational data such as the facility's annual energy production and system efficiency.
- For commercial real estate investments, emissions were calculated based on building-based consumption estimates using publicly available energy consumption statistics.

- For capital investments and subsidiaries, the most effective size approach was adopted; Emissions attributed to the Group were determined based on its share in capital.

All emission factors, assumptions, and methodological choices used in calculations are documented based on references from TURKSTAT, IPCC, and national legislation. Where direct access to activity data was not possible, a derivation method based on sector averages was used. While this approach brings certain uncertainties and limitations, it has ensured the creation of emission estimates using the most up-to-date and consistent data sources. In calculations made within the scope of the PCAF methodology, the data quality score is generally at level 3.

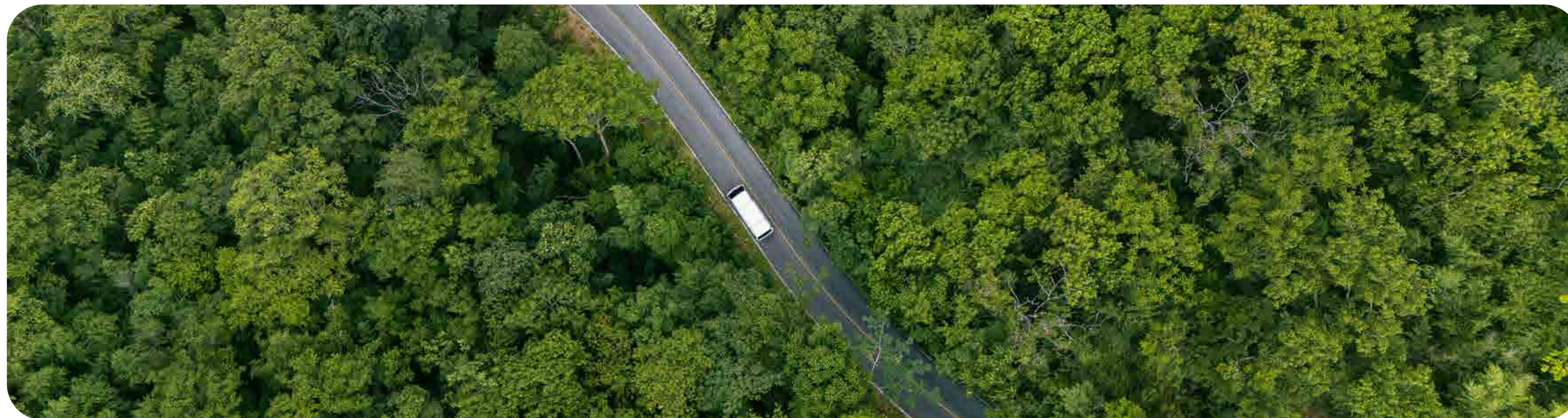
The emission values included in the report only cover financed and active investments. In this context, there is an overlap between the disclosed financial figures and the asset figures used in emission calculations; any possible overlaps or differences are clearly noted in the relevant tables.

Funded emissions disclosed as of 2025 are considered a key monitoring indicator in the implementation of the climate strategy. The financed emission indicators are among the key performance indicators used in monitoring the carbon intensity of the portfolio, assessing transition risks, and tracking sustainable financing targets. In the following periods, it is aimed to reduce these values in parallel with emission reduction commitments and sustainable financing growth. Methodological studies are ongoing for future emission

projections and related performance indicators under Article B62(d) of TSRS 2, and the assumptions, data requirements, and scenario approaches to be used in this context are being developed. The attribution factor approach defined in the PCAF methodology is used in calculating financed emissions. The attribution factor represents the Parent Bank's financing share in the relevant business and is calculated as follows:

Attribution Factor = Outstanding Amount / Company Total Assets

Here, Outstanding Amount represents the Parent Bank's credit risk in the relevant customer as of the reporting date; Company Total Assets represents the customer's total asset size for the relevant financial period. Emissions calculated on a company basis or estimated using sector emission intensity are multiplied by the attribution factor to calculate the amount of emissions financed by the Parent Bank.



METRICS AND TARGETS

Emission Values for the Parent Bank and Consolidated Subsidiaries

Category		2024 Emission (tCO ₂ e)	2025 Emission (tCO ₂ e)	% Change
Scope 1		365.0321	368.4103	↑0.93%
Scope 2 (Location Based)		971.51	932.6843	↓4.01%
Scope 2 (Market Based)		0	0	
Scope 3				
Category	Category Name	2024 Emission (tCO ₂ e)	2025 Emission (tCO ₂ e)	
Category 1	Purchased goods and services	242.3849	223.1769	↓7.92%
Category 2	Capital goods	123.7723	87.9469	↓28.95%
Category 3	Fuel and energy related activities	a	a	-
Category 4	Upstream transportation and distribution	1.0301	0.9764	↓5.21%
Category 5	Waste disposal	0.8188	0.8803	↑7.51%
Category 6	Employee commuting	171.6964	183.7406	↑7.01%
Category 7	Employee transportation to and from work	44.8077	46.9940	↑4.88%
Category 8	Upstream leased assets	b	b	-
Category 9	Downstream transportation and distribution	0.4186	0.0003	↓99.93%
Category 10	Processing of goods sold	c	c	-
Category 11	Use of goods sold	d	d	-
Category 12	End-of-life disposal of goods sold	e	e	-
Category 13	Downstream leased assets	f	f	-
Category 14	Franchises	g	g	-
Category 15	Investments	468,258.4785	1,629,646.5712	↑248.02%
Scope-3 Total		468,843.4075	1,630,190.2866	↑247.70%
Affiliates and other non-consolidated companies.		2024 Emissions (tCO ₂ e)	2025 Emissions (tCO ₂ e)	
Scope 1+ Scope 2 (location based)		10,076.15	16,566.96	↑64.42%

In 2025, a limited increase of 0.93% was observed in Scope 1 emissions, while Scope 2 (location-based) emissions decreased by 4.01%. The main reason for the 247.70% increase observed in Scope 3 emissions is the 248.02% increase in Category 15 (Investments) emissions. This increase stems from the growth that occurred at the Parent Bank in 2025 and the resulting increase in financed emissions. There was no significant change in other Scope 3 categories; limited decreases were observed in purchased goods and services (-7.92%), capital goods (-28.95%), and upstream transportation and distribution (-5.21%) emissions, while limited increases were observed in waste disposal (+7.51%), employee commuting (+7.01%), employee transportation to and from work (+4.88%), and downstream transportation and distribution (-7.51%) emissions. The 64.42% increase in Scope 1 and Scope 2 emissions of affiliates and other consolidated companies stems from the increase in the operational volumes of the relevant companies.

METRICS AND TARGETS

Table 1. Climate Risk Key Indicator Monitoring Chart

Risk/Opportunity Category		Key Indicator	Status
Physical Risks – Parent Bank Operations and Subsidiaries (Group)		Number and duration of climate-related operational disruptions	There are no operational disruptions due to climate-related factors.
		Default (Delay) rate	2024: 106 2025: 92
Physical Risks – Credit Portfolio		Number of ESRA projects	2024: 59 2025: 184
		Number of Climate Finance-Related Lawsuits	There are no lawsuits related to climate finance.
Transition Risks – Reputational Risk		Number of Clients/Investments Subject to Lawsuits Related to Environmental Issues	There are no Clients/Investments involved in lawsuits related to environmental issues.
		The share of SDG-compliant projects in the portfolio.	2024: %61 2025: %56
Transition Opportunities – Green Financing/SDGs		Share of sectors that may be affected by CBAM and carbon pricing mechanisms in the loan portfolio	2024: Number of Customers: 116 (Portfolio Share: %35,73) 2025: Number of Customers: 89 (Portfolio Share: %36,92)

Scope 1 and Scope 2 Measurement Approach, Inputs and Assumptions

The Parent Bank applies a corporate carbon footprint calculation methodology in accordance with the TS EN ISO 14064-1:2018 standard and the GHG Protocol to measure greenhouse gas emissions. In this context, Scope 1 and Scope 2 emissions are calculated and reported in accordance with nationally and internationally accepted standards.

The main inputs used in the measurement consist of activity data used in Scope 1 and Scope 2 calculations; direct meter readings, billing records and official consumption data obtained from relevant operational units.

Emission factors and conversion coefficients are obtained from the following references:

- IPCC 2006 Guidelines for National Greenhouse Gas Inventories (Volume 2 & 3)
- IPCC Sixth Assessment Report (AR6)
- Defra UK Government Greenhouse Gas Conversion Factors for Company Reporting (2025)
- T.C. Ministry of Energy and Natural Resources – Türkiye Electricity Generation and Electricity Consumption Point Emission Factors Information Form
- Regulation on Increasing Efficiency in the Use of Energy Resources and Energy (Annex-2)
- Regulation on the Inspection of Measuring Instruments and Measuring Devices (for meter uncertainties)
- Ecoinvent 3.11
- ICCT (The International Council on Clean Transportation)

In line with these sources, CO₂e emissions are calculated and reported separately for different categories such as natural gas, electricity, diesel, gasoline, refrigerants, fire extinguishers, business travel, and compensation items.

Where deemed necessary, “well-to-tank” (WTT) effects and transmission/distribution losses have also been taken into account in the calculations.

In the 2025 reporting period, no significant changes have been made to the measurement approach, inputs used, or basic assumptions that would affect the emission results. There are no changes in the calculation methodology and emission factors used that would impair inter-period comparability.

Data Uncertainty Approach

An uncertainty assessment was made for the consumption data used in emission calculations. For consumptions based on meter data, the “Measurement and Measuring Instruments Inspection Regulation” is taken as the basis. In this context, in this context, the uncertainty rates are accepted as:

- 3.50% **for electricity meters**, and
- 3.00% **for natural gas meters.**

In cases where there are no meters or where consumption is determined based on estimation, a 7% uncertainty rate is applied because measurement accuracy is more limited. This rate was chosen to stay on the safe side, with the approach prescribed by the ISO 14064-1 standard and the 5%-10% range in the IPCC 2006 guide as references.

Areas where the level of uncertainty is relatively high focus on estimation-based data usage regarding unmetered consumption and service purchases (e.g., outsourced activities). In this context, efforts are continuing to improve data quality by increasing direct access to activity data, improving data collection processes, and expanding the use of data sources with higher levels of accuracy.

METRICS AND TARGETS

Scope 3 Emission Measurement Approach, Inputs and Assumptions

To determine indirect emissions (Scope 3) arising from products and services procured from its supplier network, the Parent Bank applies a measurement approach that considers the environmental impacts of procurement items. In this context, activity data related to purchased items such as paper, cardboard and office supplies, and food and beverages have been compiled, and the relevant emissions have been calculated.

Emissions arising from the procurement and use of capital goods such as machinery and equipment acquired for the Parent Bank's use have also been included in the Scope 3 study. However, since there is no direct participation in the production of physical products or production activities, only emissions arising from energy consumption and fuel use within the scope of the Parent Bank's own operations and emissions arising from service procurements have been taken into account.

To monitor indirect emissions arising from logistics processes carried out through suppliers, the Parent Bank evaluates transportation and distribution activities. These calculations were carried out using data obtained from transportation companies and current usage and activity information for the year 2025.

Within the scope of waste management activities, emissions generated during the processing and disposal of waste from operations have been calculated. In this context, waste has been separated according to its type (e.g., paper, plastic, glass, electronic waste, etc.) and the relevant emissions have been reported based on this classification.

Emissions from bank employees' business travel have been calculated using a carbon footprint approach, taking into account transportation types such as airplanes, trains, ships, and road vehicles, and have been included in the reporting.

The shuttle vehicles used by employees for commuting to and from work have also been included in the evaluation; emissions from this source have been calculated based on the relevant activity data.

The Parent Bank, by its nature, primarily provides financial services and does not have any emission sources related to processes such as the processing or production of products sold. Similarly, since there is no direct participation in the production of physical products or production activities, emissions that may arise from end-of-life disposal processes of products have not been included in the calculation.

Franchise structures are not within the Parent Bank's field of activity, so this category has not been included in the evaluation. Therefore, Scope 3 calculations were performed by focusing on categories that were deemed meaningful and applicable in terms of the Group's operations.

Scope 3 Emissions by Asset Class

When separating by asset class, loans, project financing, bonds, equity investments, and undrawn loan commitments are treated as separate categories. Calculating and disclosing financed emissions for other asset classes also provides an explanation of why the inclusion of additional asset classes provides relevant information to users of general-purpose financial reports. The attribution factor approach defined in the PCAF methodology is used in calculating financed emissions. The attribution factor represents our Bank's financing share in the relevant business and is calculated as follows:

Attribution Factor = Outstanding Amount / Company Total Assets

Here, Outstanding Amount represents our Bank's credit risk in the relevant customer as of the reporting date; Company Total Assets represents the customer's total asset size for the relevant financial period. Emissions calculated on a company basis or estimated using sector emission intensity are multiplied by the attribution factor to calculate the amount of emissions financed by our Bank.

Asset Class		Funded Emissions (tCO ₂ e)	Activity Output	Unit	Data Quality PCAF Score
Credits	2024	381,432	49,555,230,415	TRY	–
	2025	1,570,127	70,900,378,363		
Real estate	2024	61,813	3,285,806	m ²	
	2025	33,758	1,103,007		
Project Financing	2024	14,938	9,497,139	MWh	–
	2025	9,194	15,227,116		
Equity Investments	2024	10,076	117,316,401	TRY	3.00
	2025	16,567	177,882,652		3.78
Overall, Scope 3 Category 15 Emissions	2024	468,258.48	–	–	–
	2025	1,629,646.57	–	–	–

METRICS AND TARGETS

TSRS 2 Sectoral Metrics

In line with the Parent Bank’s field of activity, disclosures covering the “Commercial Banks” sector have been evaluated considering Volume 16 of the TSRS 2 Sector-Based Implementation Guidelines. Accordingly, sector-specific sustainability metrics and disclosure obligations have been presented taking into account the criteria in the relevant volumes. In determining sector-specific metrics, the Parent Bank’s business model, customer portfolio structure, and scope of activities were considered; priority was given to indicators directly related to activities and used in decision-making processes.

Volume 16 – Commercial Banks	Metric	Category	Unit of Measurement	Metric (2024)		Code
Inclusion of Environmental, Social and Governance Factors in Credit Analysis	Description of the approach to including environmental, social, and governance (ESG) factors in credit analysis.	Discussion and Analysis	None	The Parent Bank aims to ensure the sustainability of all financed projects by integrating environmental, social, and governance (ESG) factors into its credit analysis processes. In this context, project-based ESG risks are systematically analyzed in technical evaluation and decision-making processes; environmental and social action plans are created for all projects; and projects are monitored environmentally and socially throughout the loan term. Thus, The Parent Bank implements a responsible lending policy that considers not only financial but also environmental and social impacts.	The Parent Bank aims to ensure the sustainability of all financed projects by integrating environmental, social, and governance (ESG) factors into its credit analysis processes. In this context, project-based ESG risks are systematically analyzed in technical evaluation and decision-making processes; environmental and social action plans are created for all projects; and projects are monitored environmentally and socially throughout the loan term. Thus, the Parent Bank implements a responsible lending policy that considers not only financial but also environmental and social impacts.	FN-CB-410a.2
Credits	By segment: (a) for individual customers, (1) number and (2) value of term and demand accounts.	Quantitative	Number	We do not have any individual customers.	We do not have any individual customers.	FN-CB-000.A
Credits	According to the segment, (b) the number and (2) value of small business term and demand accounts.	Quantitative	Number	We do not have any small business customers.	We do not have any small business customers.	
Credits	By segment, (c) number and value of corporate loans	Quantitative	Number	Credit Number: 1,400 *Value: TRY 93,432,343,054	Credit Number: 949 Value: TRY 122,004,026,320	FN-CB-000.B

*The related line item was inadvertently reported as TRY 2,647,573,606.37 instead of TRY 93,432,343,054 in the prior period. This error has been corrected in the current period.

METRICS AND TARGETS

Targets

As part of its climate change mitigation and adaptation strategy, the Parent Bank defines various quantitative and qualitative targets, primarily focusing on reducing greenhouse gas emissions.

These targets are designed to be consistent with the fundamental principles of the Paris Agreement and Türkiye’s 2053 Net Zero commitment, and are structured in line with the Parent Bank’s strategic priorities. The defined targets are derived within the framework of a sectoral decarbonization approach, based on the science-based target-setting methodology put forward by the Science Based Targets initiative (SBTi).

Performance Indicator	Metric	Base Year	Base Year Gross Emissions tCO ₂ e	Target Type	2030	Target Year Gross Emissions tCO ₂ e	2050	Update	SDG Relationship
Scope 1 Emissions	tCO ₂ e	2023	373	Net	42%	216	100%	Annual	 
Scope 2 Emissions (Market-based)	tCO ₂ e	2023	0	Net	100%	0	100%	Annual	
The Percentage of ESG Investments into Total Investments	Percentage (%)	2024		Qualitative		The upward trend is targeted.		Annual	  
Sustainable Themed Bond/Sukuk Issuance	TRY Million	2024		Qualitative		The upward trend is targeted.		Annual	 
Energy Efficiency Investments Provided Funding	TRY Million	2024		Qualitative		The upward trend is targeted.		Annual	 
Amount of Funding Provided to Renewable Energy	TRY Million	2024		Qualitative		The upward trend is targeted.		Annual	 
2024 Kick-off Credit Type Distribution 2030 DAC Target Score	Percentage (%)	2024		Qualitative	DAC 1: %50, DAC 0: %0, DAC 2: %1–3	–		Annual	 

* In 2019, the OECD published the document “Development Financing for Gender Equality and Women’s Empowerment” for Official Development Assistance (ODA) allocated by OECD members; this document makes a significant contribution to financing gender equality and women’s empowerment in developing countries. This Policy Indicator, the most widely used among international funders, serves as a guiding reference for the sector. Integrating the developed analysis process into the Environmental and Social Impact Assessment process, the Parent Bank has conducted detailed gender equality analysis and DAC Gender Marker application in projects where environmental and social impact assessments were carried out in 2025.

METRICS AND TARGETS

The climate targets defined by the Parent Bank aim to strengthen the adaptation approach to support the mitigation of the effects of climate change and the transition to a low-carbon economy. Within these targets, the reduction of Scope 1 and Scope 2 emissions is prioritized, while for Scope 3, the goal is to gradually move away from carbon-intensive activities and shift the portfolio towards lower-carbon sectors. This approach is designed to support sustainable development in line with the Parent Bank's climate strategy.

The defined targets are structured to cover all of the Parent Bank's operations. Accordingly, emissions from the Parent Bank's direct activities are monitored under Scope 1 and Scope 2, while indirect emissions from investments financed by the Parent Bank are included in the assessment under Scope 3. As a result of the studies, the greenhouse gas emission inventory of the activities carried out by the Parent Bank between January 1, 2025 and December 31, 2025 (inclusive of both days) has been calculated in tons of CO₂ equivalent, and the distribution according to CO₂, CH₄, N₂O, CFC and HCFC emissions is given separately. Thus, both the direct and indirect dimensions of climate impacts are addressed within a holistic framework.

The targets are defined on an absolute basis; the calculation and monitoring processes are based on the TS EN ISO 14064-1:2018 standard and the GHG Protocol. In calculating Scope 3 emissions, methods compatible with the PCAF (Partnership for Carbon Accounting Financials) methodology are applied. These standards and methodologies have been chosen to strengthen international validity and support TSRS compliance.

No changes have been made to the target formulation and calculation methodology that would affect emission results in the 2025 reporting period. Scope 1 and Scope 2 targets have been formulated based on the Science Based Targets initiative (SBTi) approach; an institutional roadmap for the targets has been prepared. Sector-specific approaches compatible with the financial sector have been used in determining the targets. In addition, both targets are based on net/absolute emission reduction; carbon credits are not used as a separate component in achieving the targets.

The greenhouse gas emission inventory for the activities carried out by the Parent Bank during the period of January 1, 2025 – December 31, 2025 (inclusive of both days) is calculated on a CO₂ equivalent (CO₂e) basis, and the target scope is defined to include only CO₂ emissions.

The reliability and verifiability of the targets are supported by robust data collection processes. Accordingly, a measurement and reporting structure compliant with TS EN ISO 14064-1:2018 and the GHG Protocol is maintained; furthermore, the defined targets and the calculation approach used are reviewed annually by the Sustainability Committee. In this way, the timeliness and consistency of the targets are regularly assessed, and areas for improvement are identified where necessary.

Climate Target Achievement Plan

The Parent Bank structures its approach to achieving climate targets in line with the Parent Bank's 2050 net-zero commitment through the following key practices:

- SBTi-compliant emission reduction targets have been set and corporate commitments to these targets have been established.
- Annual CO₂e reduction calculations have been initiated for financed projects.



- The Parent Bank has secured renewable electricity through I-REC certification to meet its electricity consumption from renewable sources.
- While the reduction of Scope 1 and Scope 2 emissions is directly targeted, indirect emissions are managed through indirect reduction approaches and especially portfolio management tools.

The Parent Bank obtains appropriate term resources from international development finance institutions for financing climate-related activities. The following are some of the notable financing agreements:

- Green 4 loan of **TRY 8.5 billion** (USD 200,000,000*) **with JBIC**

- Climate loan of **TRY 5 billion** (EUR 100,000,000.00**) and grant agreement of **TRY 502.8 million** (EUR 10,000,000.00 **) signed **with KfW**
- Resource agreement of **TRY 4.25 billion** (USD 100,000,000.00 *) **with IsDB** for food security investments,
- Loan agreement of **TRY 2.13 billion** (USD 50,000,000*) signed with the **OPEC Fund**; Support has been provided to finance the investment and working capital needs of businesses affected by the earthquake, especially those operating in the agriculture and food production sectors.
- Support for projects aimed at reducing carbon emissions in Türkiye's industrial sector has begun through loan agreements signed with the **World Bank** totaling **TRY 10 billion** (EUR 200 million **) and **TRY 8.5 billion** (USD 200 million).
- Within the scope of agreements **with the World Bank**, **TRY 15 billion** (EUR 300 million **) in loans and **TRY 642.6 million** (USD 15 million*) and **TRY 64.2 million** (USD 1.5 million*) in grants have been provided for the financing of battery energy storage systems.
- A loan agreement of **TRY 8.5 billion** (USD 200 million) has been signed **with the Asian Infrastructure Investment Bank (AIIB)** to support projects aimed at combating climate change and digital infrastructure.
- A loan agreement equivalent to **TRY 13.9 billion** (USD 325 million) has been signed **with the Asian Development Bank (ADB)** to increase renewable energy capacity and strengthen the competitiveness of the manufacturing sector in earthquake-affected regions.
- A loan agreement of **TRY 2.5 billion** (EUR 50 million) has been signed **with the Italian Development Bank (CDP)** to support solar energy investments in the earthquake region.

*Exchange rate (USD) calculated using the Central Bank's buying rate as of 31.12.2025 (42.8457).

** Exchange rate (EUR) calculated using the Central Bank's buying rate as of 31.12.2025 (50.2859). (https://www.tcmb.gov.tr/kurlar/kurlar_tr.html)

METRICS AND TARGETS

These resources are used to finance projects focused on renewable energy, energy efficiency, and social impact. Significant progress has been made in the field of climate action in 2025. In this context, the share of the Parent Bank in Türkiye's renewable energy capacity reached 7% in 2025, and this rate was reported as 7% in 2024. Through these projects, a reduction of 3.9 million tons of CO₂e/year of greenhouse gas emissions were achieved in 2025, and 4.2 million tons of CO₂e/year in 2024. The Parent Bank's entire annual electricity consumption is documented with 100% I-REC renewable energy certificates, proving that it is supplied from renewable sources. In addition, the Sustainable Development Goals (SDG) themed loan ratio reached 96% in 2025, and the same rate was achieved in 2024, also at 96%. These developments demonstrate that the Parent Bank supports its focus on sustainable development and climate goals with tangible results.

Assets Vulnerable to Climate Risks

The Parent Bank uses an integrated assessment approach that considers both **physical** and **transition risks** to identify assets in its portfolio that are sensitive to climate risks. These assessments are conducted in a way that allows monitoring of exposure to climate risk at the portfolio level and making the relevant risks visible.

Assets Vulnerable to Transition Risk

As a result of the assessment carried out under TSRS 2.29(b), the following has been determined regarding vulnerability (non-resilience) to climate-related risks in the Parent Bank's portfolio as of the reporting period:

Risky Customer Profile: As of the reporting date of 31.12.2025, the credit portfolio risk balance, including non-performing loans, is TRY 1,722,074,564.17, and this amount is reported as TRY 1,795,663,192.65 in 2024. The analyses show that the customer risk balance, assessed under the scope of transition risk, is calculated as TRY 1,568,293,545.37 in 2025; this amount indicates that the share of financing provided to customers in the total portfolio is at the level of 0.43%. In 2024, with the addition of the transition risk variable, an increase of TRY 7,900,080.66 occurred in the total expected loan loss, which corresponds to 0.44% of the total expected loan loss. These results show that the impact of transition risk on the Parent Bank's total expected loan loss remained at a similar and limited level in both periods.

Assets Vulnerable to Physical Risk

As a result of the assessment carried out under TSRS 2.29(c), it has been determined that there are no assets vulnerable (non-resilient) to climate-related risks in the Parent Bank's portfolio as of the reporting period.

As of 2025, the Parent Bank has included physical climate risks within the scope of its portfolio assessment. However, since the data infrastructure, scenario analyses, and methodological maturity required to reliably measure the financial impacts of physical risks have not yet reached a sufficient level in this reporting period, the amount of assets vulnerable to physical risk and their share within the total portfolio could not be quantified in this period. In line with the development of its data quality and analytical capacity, the Parent Bank aims to include quantitative assessments of physical risks within the scope in upcoming reporting periods.

Assets Aligned with Climate Opportunities

The Parent Bank regularly monitors investments evaluated within the framework of climate-related opportunities and tracks these investments with a separate perspective within the portfolio view.

The ratio of climate and environmental SDG-related loan portfolio to the total portfolio was 61% in 2024, while it was 56% in 2025. This change stems from the differentiation of the portfolio structure throughout the year, and a relative decrease in this ratio has been observed due to the increase in loan volume in areas not directly related to climate and environment. In this context, the amount of this SDG-linked loan portfolio was TRY 88,217,000,000 (USD 2.5 billion) in 2024, and TRY 115.68 billion (USD 2.7 billion) in 2025.

In 2025, the Parent Bank achieved a ratio of loans related to sustainable development goals (SDGs) within the total loan portfolio of 96%, and within this scope, the share of Türkiye's renewable energy capacity was 7% in 2025, while this ratio was reported as 7% in 2024. Additionally, the Parent Bank has financed renewable energy projects with a total installed capacity of 3,475 MW by the end of 2025, up from 3,691.4 MWh in 2024.

The Parent Bank monitors and reports on its investment and capital allocations aimed at managing climate risks and opportunities through a separate monitoring structure. In this context:

Resources allocated to green and thematic loans in 2025 were directed towards projects focused on combating climate change; these developments are detailed under the heading "Planned Financing Sources and Impacts for Implementing the Climate Strategy."

Monitoring and Reporting

The defined metrics and targets are reviewed annually in coordination with the Sustainability Committee and the Risk Management Unit; the results are integrated into performance reports.

In addition, the Board of Directors is informed semi-annually (twice a year), and monitoring/evaluation mechanisms are operated to provide direct input to strategic decision-making processes. The processes are carried out in accordance with TSRS requirements and international standards, while adhering to the principle of transparency.

The Parent Bank does not apply internal carbon pricing in its decision-making processes.

LIMITED ASSURANCE REPORT



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Convenience Translation of Independent Auditor's Limited Assurance Report Originally Issued in Turkish

LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE INFORMATION PRESENTED UNDER THE TURKISH SUSTAINABILITY REPORTING STANDARDS OF TÜRKİYE KALKINMA VE YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

To the General Assembly of Türkiye Kalkınma ve Yatırım Bankası Anonim Şirketi,

We have been assigned to perform limited assurance engagement on the information ("Sustainability Information") presented in accordance with the Türkiye Sustainability Reporting Standards 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and Türkiye Sustainability Reporting Standards 2 "Climate-Related Disclosures" of Türkiye Kalkınma ve Yatırım Bankası Anonim Şirketi and its subsidiaries (collectively referred to as the "Group") for the year ended December 31, 2025.

Our assurance engagement does not include the information related to other information included in the 2025 Integrated Report and other information (including any images, audio files, website links or embedded videos) associated with Sustainability Information and 2025 Integrated Report.

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, as summarized under the section "Summary of the Work we Performed as the Basis for our Assurance Conclusion", nothing has come to our attention that causes us to believe that the Sustainability Information included in the subsection "Türkiye Sustainability Reporting Standards Compliant Sustainability Report 2025" under the "Annexes" section of the Group's Integrated Report for the year ending December 31, 2025, has not been prepared in accordance with the Türkiye Sustainability Reporting Standards ("TSRS"), as published by the Public Oversight Accounting and Auditing Standards Authority of Türkiye ("POA") in the Official Gazette dated December 29, 2023 and numbered 32414(M). We do not provide any assurance conclusion regarding the information related to other information included in the 2025 Integrated Report and any other information (including any images, audio files, website links or embedded videos) associated with the Sustainability Information and 2025 Integrated Report.

Inherent Limitations in the Preparation of Sustainability Information

The Sustainability Information is subject to inherent uncertainties due to lack of scientific and economic information. The inadequacy of scientific data leads to uncertainties in the calculation of greenhouse gas emissions. Additionally, due to the lack of data regarding the likelihood, frequency, and impacts of potential physical and transition climate risks, the Sustainability Information is subject to uncertainties related to climate-related scenarios.

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Responsibilities of Management and Those Charged with Governance Regarding Sustainability Information

The Group's Management is responsible for:

- Preparing the Sustainability Information in accordance with the principles of Türkiye 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;
- Additionally, the Group Management is responsible for selecting and implementing appropriate sustainability reporting methodologies as well as making reasonable assumptions and suitable estimates.

Those charged with Governance is responsible for overseeing the Group's sustainability reporting process.

Responsibilities of the Independent Auditor Regarding the Limited Assurance of Sustainability Information

We are responsible for the following:

- 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 Group Management.

Since we are responsible for providing an independent conclusion on the Sustainability Information prepared by management, we are not permitted to be involved in the preparation process of the Sustainability Information in order to ensure that our independence is not compromised.

Professional Standards Applied

We performed a limited assurance engagement in accordance with the Standard on Assurance Engagements 3000 "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.

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Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Independent Auditors, 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 management specialists. We have used the work of our expert team to assess the reliability of the information and assumptions related to the Group's climate and sustainability-related 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,

- Face-to-face and online interviews 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 review and assess the sustainability related information.
- The disclosure and presentation of sustainability-related information have been evaluated.
- Through inquiries, we obtained an understanding of Group's control environment and information systems relevant to the preparation of the Sustainability Information. However, we did not evaluate the design of particular control activities, we did not obtain evidence about their implementation or we did not test their operating effectiveness.
- The appropriateness and consistency of the Group's estimation development methods were evaluated. However 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.

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The procedures performed 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 we performed a reasonable assurance engagement.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Aykan Üsenti, SMMM
Partner

24 July 2026
İstanbul, Türkiye

A member firm of Ernst & Young Global Limited

DEVELOPMENT AND INVESTMENT BANK OF TÜRKİYE

Nature-Related Financial Disclosures Report

Taskforce on Nature-related Financial Disclosures,
(TNFD)

Renewable Energy Investment Portfolio

First Generation TNFD Disclosure
Reporting Period: 1 January to 31 December 2025

Framework	TNFD Recommendations version 1.0, September 2023, and the LEAP assessment approach: Locate, Evaluate, Assess and Prepare
Methodology	ENCORE dependency and pressure screening, WWF Risk Filter Suite version 3.0 for Biodiversity and Water using Global 2024 data, and coordinate level GIS habitat and KBA analysis
Scope	98 subproject sites belonging to 78 clients across 42 provinces, with an outstanding loan balance of approximately USD 1.16 billion, representing approximately 41% of the Bank's total portfolio
Integration	This report should be read together with the TKYB 2025 Integrated Report and the TSRS Report covering TSRS 1 and TSRS 2
Preparation status	Prepared for the first time following the Sustainability Committee decision under the Bank's TNFD Adopter commitment



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1. ABOUT THE REPORT

This document is the first nature-related report prepared by the Development and Investment Bank of Türkiye, referred to as TKYB in line with the recommendations published by the Taskforce on Nature-related Financial Disclosures in September 2023. The report is structured around the four TNFD disclosure pillars: Governance, Strategy, Risk and Impact Management, and Metrics and Targets, and the 14 recommended disclosures under those pillars. As a development and investment bank, the Bank recognizes that its most significant impacts on and dependencies on nature arise through its financed loan portfolio rather than through its own operations. Accordingly, the analytical focus of this first report is the renewable energy loan portfolio.

Scope Decision

The analysis covers 98 subproject sites belonging to 78 clients in the Bank's renewable energy segment. The portfolio comprises utility scale solar power plants, rooftop solar power plants, wind power plants and geothermal power plants located across 42 provinces in Türkiye. The current outstanding loan balance associated with these sites is approximately USD 1.16 billion and represents approximately 41% of the Bank's total loan portfolio of approximately USD 2.84 billion as of 31 December 2025.

The selection of the renewable energy portfolio as the scope of the Bank's first TNFD disclosure was a deliberate methodological choice because of its material weight in the Bank's portfolio, the direct land use of project sites, changes in land cover, interaction with water assets, proximity to sensitive ecosystems, and the ability to analyze technology specific pressure and dependency profiles at the location level. The scope also comprises comparable energy generation technologies, namely utility scale solar, rooftop solar, wind and geothermal. This provided a more robust and consistent analytical basis in the first reporting period in terms of data availability and comparability across sites.

Framework, Data and Tools Used

- **TNFD LEAP approach: Locate, Evaluate, Assess and Prepare:** The four phases of LEAP form the analytical backbone of the report.
- **ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure):** ENCORE was used to assess the materiality of technology specific dependencies on ecosystem services and pressures on nature.
- **WWF Risk Filter Suite v3.0:** The Biodiversity and Water Risk Filters using Global 2024 data were applied to assess physical, regulatory and reputational risks for each project site at coordinate level.
- **Coordinate based Geographic Information System analysis of habitats and Key Biodiversity Areas:** Google Earth, ArcGIS and QGIS were used to analyze the land cover, ecosystem type and KBA overlap status of each project site at point level.
- **Corporate sources:** The analysis is based on the Bank's Environmental and Social Risk Assessment Procedure, Environmental and Social Policy, Climate Change Policy, List of Activities Not Financed, 2025 Integrated Report and Türkiye Sustainability Reporting Standards Report.

Relationship with Other Reports and Division of Content

This report forms part of an integrated set of disclosures together with TKYB's 2025 Integrated Report and TSRS Compliant Sustainability Report and is designed to be read with those reports. A deliberate division of content has been adopted. Climate related physical and transition risks are addressed in detail in the TSRS Report, which is aligned with TSRS 1 and TSRS 2 and with ISSB standards IFRS S1 and IFRS S2. Nature and biodiversity are assessed comprehensively in this TNFD Report. The nature-related disclosures and assessments in this report are therefore based primarily on the Bank's environmental and social risk management system, related policies and site-specific data. The TSRS Report is used only as a reference in areas that are common to both reports, such as governance, the scenario analysis framework and the risk management architecture.



Although this report follows the four TNFD disclosure pillars, it has been prepared as an independent nature-related disclosure that complements the TSRS Report in terms of content and data coverage.

Materiality Approach

This report addresses nature-related issues through a double materiality perspective. From a financial materiality perspective, the potential effects of nature-related risks on the Bank's credit risk and financial performance are assessed in line with the TSRS and ISSB approach. From an impact materiality perspective, the effects of activities financed by the Bank on nature are considered, including effects on land use, habitats and biodiversity.

TNFD is framework neutral in relation to materiality and expects organizations to state clearly the approach they have adopted. TKYB therefore states explicitly that this report applies a double materiality perspective. Defining quantitative materiality thresholds and formalizing them at the corporate level are among the Bank's priorities for further development in future periods.

Note on forward looking statements, scope and TNFD Adopter status: The scenario analyses, risk classifications and nature-related assessments in this report are based on screening level data, prudent assumptions and evolving methodologies. ENCORE materiality ratings and scores generated by WWF risk filters indicate relative prioritization at the screening level rather than the final risk of an individual project. The Bank's TNFD Adopter status indicates its voluntary adoption of the TNFD framework and its commitment to developing nature-related financial disclosures in line with the recommendations.

2. EXECUTIVE SUMMARY

TKYB has set out its institutional commitment to adopt the TNFD recommendations and develop nature-related financial disclosures within this framework. This report represents the first concrete step in that process. The LEAP based assessment of the renewable energy portfolio shows that the portfolio makes a strong positive contribution to climate objectives, while also

carrying certain nature-related risks and exposures that need to be managed in relation to land use, habitats and biodiversity. A distinguishing feature of this first report is that the assessment goes beyond screening and uses the actual land cover and habitat classification of each project site, taking the analysis to the level of ecosystem condition.

Strategic Conclusion

The nature-related risk profile of the portfolio is not shaped by a single dominant factor. It is shaped by dependency on climate regulation services, pressures from land use and habitat change, and the concentration of KBA overlap and sensitive ecosystems at selected project sites. Sensitivity is concentrated particularly at project sites located in forest and shrubland habitats. A significant part of the portfolio, however, is located in built or agricultural land that has already been converted and therefore carries relatively lower habitat pressure.

The Bank's existing environmental and social risk management system is based on category specific risk classification, exclusion criteria linked to international conventions, site specific ecological due diligence, environmental and social management plans, contractual ESAP obligations and independent monitoring. This system provides the core management framework for nature-related risks.

As TKYB's first TNFD disclosure, this study was designed as an in depth application focused on the renewable energy portfolio and establishes a methodological basis that can be extended to other sectors in future reporting periods.

Table 1. Key Portfolio Level Indicators from the Nature-related Assessment, 31 December 2025

Indicator	Finding
Portfolio size	78 clients, 98 subproject sites and 42 provinces, with an outstanding loan balance of approximately USD 1.16 billion, representing approximately 41% of the total portfolio
Technology distribution by loan balance	Wind 40.1%, utility scale solar 35.9%, geothermal 20.1% and rooftop solar 4.0%
Predominant habitat and land cover	Grassland, pasture and grazing land 45%, built and industrial areas 22%, agricultural land 15%, and forest and shrubland 13%
Highest concentration of sensitive habitat	13 project sites in forest, woodland and shrub formations, representing 25.5% of the portfolio loan balance and constituting the most sensitive habitat group
KBA exposure	Coordinate based GIS analysis identifies 18 project sites that overlap a KBA. These sites represent 36.2% of the portfolio loan balance, approximately USD 420 million
Sensitive locations under TNFD	88 project sites that interface with areas of biodiversity importance represent 80.3% of the portfolio loan balance. This is a much broader scope than the 18 sites that overlap a KBA
Predominant dependency under ENCORE	Dependency on the ecosystem service of global climate regulation is rated Very High for solar and wind technologies
Predominant pressure under ENCORE	Land use pressure is rated High for wind projects, while pressure from non-greenhouse gas air pollutants is rated High for geothermal projects
Biodiversity and water risk under WWF	The loan weighted biodiversity physical risk score is 3.29 out of 5, Medium. The water basin risk score is 2.78 out of 5, Low to Medium
Management response	The mitigation hierarchy is applied in an integrated manner through avoidance using contractual exclusion criteria, reduction using environmental and social management plans, and monitoring using independent monitoring and conditions linked to disbursement. Under the procedure, all Category A, B plus and B projects are subject to nature-related and environmental and social risk management measures
Corporate context	96.2% of the portfolio is aligned with the Sustainable Development Goals. Financed renewable energy capacity represents 6.6% of Türkiye's installed renewable energy capacity. The Bank has also published its first sustainable Eurobond framework supported by a Second Party Opinion



3. ANALYTICAL APPROACH: TNFD LEAP

TKYB applied the LEAP approach recommended by TNFD to identify and assess nature-related issues. The table below summarizes how the four LEAP phases are applied in this report, the data sources and tools used, and the principal outputs obtained.

Table 2. Application of the TNFD LEAP Approach in This Report

Phase	Application	Data and tools	Output
Locate	Identification of project sites' interface with nature, habitat characteristics and priority or sensitive locations	Coordinate based GIS analysis, land cover classification, WWF risk filters and KBA overlap analysis	Assessment of 98 project sites across 42 provinces, identification of habitat distribution, identification of 18 sites overlapping a KBA, and determination of sensitive locations using five criteria
Evaluate	Assessment of technology specific dependencies on nature and pressure profiles affecting nature	ENCORE dependency and pressure materiality matrices	Determination of technology specific levels of dependency on nature and pressure on nature
Assess	Prioritization of nature-related risks and opportunities and assessment of resilience through scenario analysis	WWF risk filter scores, climate scenarios based on NGFS and SSP pathways, TNFD nature scenarios and the nature risk inventory	Preparation of the nature risk inventory, calculation of loan weighted risk scores and completion of scenario analyses
Prepare	Preparation of the management approach, metrics, targets and disclosures	ESG system, ESAP, PCAF, SBTi, SDGs, the Global Biodiversity Framework and the 14 TNFD recommended disclosures	Preparation of this TNFD report and development of a maturity roadmap for future reporting periods

PILLAR 1: GOVERNANCE

This pillar explains how nature-related dependencies, impacts, risks and opportunities, collectively referred to as nature-related issues, are overseen and managed within TKYB's corporate governance structure. The Bank addresses nature-related issues as an extension of its existing sustainability and environmental and social governance structure.

DISCLOSURE A: BOARD OVERSIGHT OF NATURE-RELATED ISSUES

At TKYB, the sustainability agenda is regularly considered at Board level. Strategic objectives, performance indicators and areas of risk are assessed through this platform and integrated into decision making processes. The material sustainability topics for 2025, including biodiversity and the sustainable management of natural resources, were reviewed and approved by the Board of Directors. The Board of Directors is also the approving body for documents relating to sustainability policies and commitments.

The Sustainability Committee is the central mechanism for oversight of nature-related issues. The Committee operates under the chairmanship of the Chief Executive Officer and includes an independent Board member. Through this structure, the nature and climate agenda is represented at Board level.

The Committee met twice in 2025. At these meetings, it decided to initiate the Bank's alignment process with the TNFD framework and to implement nature-related reporting. This decision forms the institutional basis of this report. The Committee meets twice a year, and a six monthly performance report prepared by the Sustainability and Environmental and Social Impact Management Unit is presented to the Committee.

As a complementary indicator of the Bank's institutional maturity in relation to climate, TKYB has received validation of its science based climate targets under the Science Based Targets initiative, SBTi. The development of nature-related targets and metrics is addressed separately in this TNFD report as an area for further maturity.



PILLAR 1: GOVERNANCE

DISCLOSURE B: MANAGEMENT'S ROLE IN ASSESSING AND MANAGING NATURE-RELATED ISSUES

The operational management of nature-related issues is coordinated by the Sustainability and Environmental and Social Impact Management Unit. One of the distinctive features of the Unit is its multidisciplinary structure. It comprises environmental engineers, social specialists and professionals specializing in biodiversity. This structure enables environmental, social and biodiversity impacts to be assessed through an integrated approach and supports the development of a framework that is aligned with credit processes and corporate risk management practices.



In other words, competencies relating to nature are structured as an integral part of institutional capacity. The Sustainability Working Group affiliated with the Unit works regularly throughout the year, supports data collection and analysis, and provides information to the Committee.

Credit assessment reports are submitted to the Credit Evaluation Committee and the Board of Directors for approval. Environmental and social risk assessment is an integral part of the credit decision. The Sustainability and Environmental and Social Impact Management Unit is involved both at the application stage and at the approval stage.

Depending on the project's risk category, completion of the relevant environmental and social assessment and fulfillment of the required action plan conditions are applied as conditions for disbursement. Nature and biodiversity are therefore addressed within the existing environmental and social assessment and approval mechanism that applies to all projects, without creating a separate additional assessment requirement for the credit allocation and project finance units.

The principal policy governing these processes is the Environmental and Social Policy, updated in December 2025, which ensures that nature and biodiversity considerations are reflected in lending decisions. The Policy adopts the protection of biodiversity as a fundamental principle. Assessments are conducted in line with IFC Performance Standard 6, Biodiversity Conservation and Sustainable Management of Living Natural Resources. Climate considerations are addressed under the Bank's Climate Change Policy, and the related commitments are disclosed in the TSRS Compliant Sustainability Report.

DISCLOSURE C: HUMAN RIGHTS POLICIES AND ENGAGEMENT WITH INDIGENOUS PEOPLES, LOCAL COMMUNITIES AND AFFECTED STAKEHOLDERS



The Bank's approach to social risk is defined in the Environmental and Social Risk Assessment Procedure. It covers socioeconomic conditions, land acquisition, vulnerability, gender equality, human rights, cultural heritage, labor and working conditions, and community health and safety. For financed activities, the approach is based on compliance with the environmental and social standards of international financial institutions, particularly the IFC Performance Standards and the World Bank Environmental and Social Framework.

Although there is no officially recognized status of Indigenous Peoples in Türkiye in the sense defined by TNFD, the social dimensions of financed activities in relation to local communities and affected stakeholders are addressed through Environmental and Social Impact Assessment and Environmental and Social Due Diligence processes. Preparation and public disclosure of a Stakeholder Engagement Plan are mandatory for all Category A, B plus and B projects.

The Bank operates a Grievance Redress Mechanism through its website to enable affected stakeholders and the public to submit feedback and complaints either by identifying themselves or anonymously. Submissions are recorded by the Internal Control and Compliance Unit, responded to in line with the opinions of the Legal Department and senior management, and communicated to the applicant through the Corporate Communications Unit. All internal and external grievances are recorded, shared periodically with the relevant financing institutions and published annually on the Bank's website. Gender equality is considered as a separate assessment dimension across all lending activities using the OECD DAC scoring system of 0, 1 and 2. Project specific gender focused key performance indicators are defined for clients and monitored throughout the monitoring period.

As part of external disclosure, the Bank publicly discloses the risk categories of projects assessed and approved, a summary of the Environmental and Social Risk Assessment Procedure, and, with client consent, summaries of the impacts and mitigation measures for Category A projects. This entire stakeholder and human rights management structure operates under the oversight of the Board of Directors and the Sustainability Committee.

Note: Maturity priority for Governance: In future periods, the Bank aims to monitor nature-related agenda items under a separate heading in Committee minutes and to define nature-related competencies formally at the governance level.

PILLAR 2: STRATEGY

This pillar describes the nature-related dependencies, impacts, risks and opportunities identified by TKYB, their effects on the Bank’s business model and strategy, the resilience of the strategy under different scenarios, and priority and sensitive locations.

DISCLOSURE A: NATURE-RELATED DEPENDENCIES, IMPACTS, RISKS AND OPPORTUNITIES IDENTIFIED OVER THE SHORT, MEDIUM AND LONG TERM

ENCORE Screening Results for Dependencies and Pressures

The technology specific nature profile of the portfolio was screened using ENCORE dependency and pressure materiality matrices. The table below summarizes the most significant ecosystem service dependencies and environmental pressure areas for each technology.

Table 3. Technology Specific ENCORE Dependency and Pressure Profile

Technology	Highest dependencies on ecosystem services	Highest pressures
SPP, utility scale and rooftop	Global climate regulation, Very High. Flood mitigation, local climate regulation, soil and sediment retention, storm mitigation, water flow regulation and water supply, Medium	Land use, Low. Water use volume, Low. Disturbance, Very Low. Land and soil pressure from rooftop solar is lower on a project specific basis
WPP	Global climate regulation, Very High. Flood mitigation, High. Local climate regulation, noise attenuation, soil retention and storm mitigation, Medium	Land use, High. Disturbance from noise and light, Medium. Seabed use applies only to offshore projects
GPP	Soil and sediment retention, High. Flood mitigation, water flow regulation, water purification and water supply, Medium	Non greenhouse gas air pollutants, High. Greenhouse gas emissions, toxic soil and water pollutants, and water use volume, Medium

Figure 1. ENCORE Technology Specific Materiality Profile for Dependencies and Pressures*

ENCORE materiality profile by technology

Dependencies – Ecosystem services

Ecosystem Service	SPP (ground-mounted / rooftop)	WPP	GPP
Global climate regulation	VH	VH	VL
Soil and sediment retention	M	M	H
Flood mitigation	M	H	M
Water flow regulation	M	M	M
Local climate regulation	M	M	L
Water supply	M	VL	M
Storm mitigation	M	M	VL
Noise attenuation	VL	M	VL
Water purification	-	-	M
Solid waste remediation	-	-	L
Air filtration	-	-	VL



PILLAR 2: STRATEGY

Pressures on Nature

Pressure on Nature	SPP (ground-mounted / rooftop)	WPP	GPP
Land use	L	H	L
Non greenhouse gas air pollutants	-	-	H
Disturbance from noise and light	VL	M	M
Water use volume	L	L	M
Toxic soil and water pollutants	VL	VL	M
Greenhouse gas emissions	-	-	M
Seabed use	-	M	-
Solid waste generation	VL	VL	VL

Materiality



This profile shows that the portfolio’s predominant dependency is on climate regulating ecosystem services, while the predominant environmental pressure is land and habitat use. Water is a secondary pressure area across the portfolio, but it becomes more significant in the geothermal segment because of reinjection, hydrogeological conditions and discharge processes. ENCORE is not used as the primary risk model in this study. It is used as a technology level screening layer that supports site specific ecological assessment, WWF risk filters, GIS and habitat analysis, and KBA overlap assessment.

Habitat and Ecosystem Baseline at the Condition Level

Going beyond screening, the actual land cover and ecosystem type of each of the 98 project sites were identified using coordinate based GIS analysis. This allows the portfolio’s nature-related risk focus to be assessed together with ecosystem condition and credit exposure rather than through proxy indicators alone.

Table 4. Net Habitat and Land Cover Distribution, Credit Exposure and KBA Overlap*

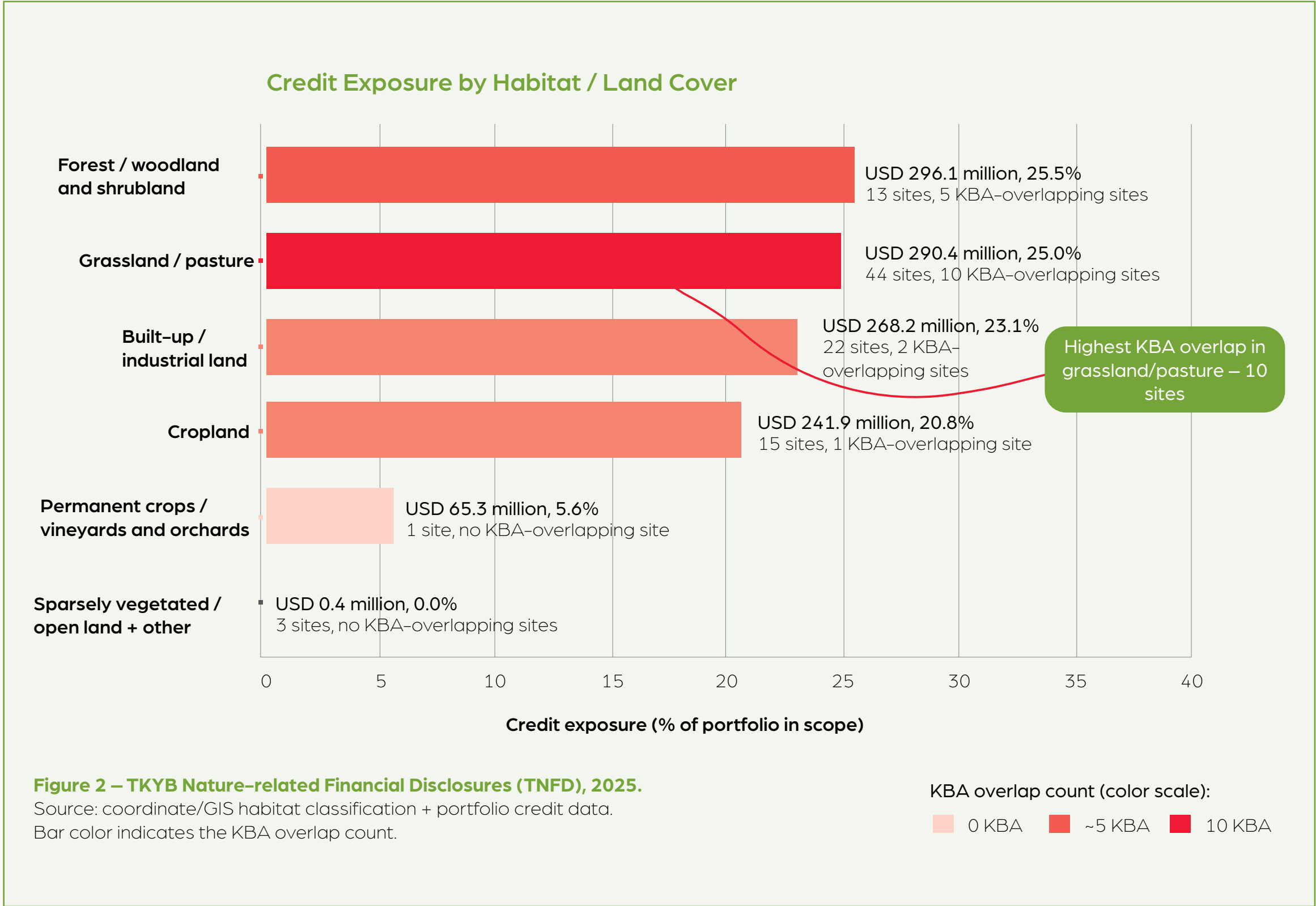
Net habitat and land cover	Number of sites	Loan exposure, USD million and share	Number of sites overlapping a KBA
Grassland, pasture and grazing land	44	290.4, 25.0%	10
Forest, woodland and shrub formation	13	296.1, 25.5%	5
Built and industrial area	22	268.2, 23.1%	2
Agricultural land	15	241.9, 20.8%	1
Perennial agriculture, vineyards and orchards	1	65.3, 5.6%	0
Sparsely vegetated or open land and other	3	approximately 0, 0.0%	0
Total	98	1,162.3, 100%	18

*SPP = solar power plant; WPP = wind power plant; GPP = geothermal power plant. “-” indicates that the item does not appear in the relevant ENCORE profile. Source: ENCORE dependency / pressure dataset (screening level).

*An additional secondary or mosaic habitat was identified at 53 sites. For clients with multiple sites, the outstanding loan balance is reported at the main project level.

PILLAR 2: STRATEGY

Figure 2. Habitat / Credit Distribution



A key finding is that sites in forest, woodland and shrub formations, assessed as the most sensitive habitat group, represent only 13% of the total number of sites but account for 25.5% of the outstanding loan balance. KBA overlap is distributed across habitat types, with the highest concentration in grassland and pasture sites.

By contrast, sites in built and industrial areas and in agricultural and converted land carry relatively lower nature sensitivity. This shows that nature-related sensitivity is not evenly distributed across the portfolio. It is concentrated in certain habitat groups and at sites overlapping a KBA, indicating where management and monitoring should be prioritized.

Risks and Opportunities by Time Horizon

Table 5. Nature-related Risks and Opportunities by Time Horizon

Time horizon	Nature-related risk focus	Nature-related opportunity focus
Short term, 1 to 3 years	Implementation of site specific biodiversity obligations and increased monitoring intensity at sites overlapping sensitive habitats and KBAs	Access to green and thematic financing sources and stronger ESG data infrastructure
Medium term, 3 to 5 years	Portfolio level monitoring of land use and habitat pressure and quantitative assessment of basin level water risks	Development of nature aligned credit assessment criteria and linkage of the portfolio with nature targets
Long term, more than 5 years	Tightening regulatory requirements, biodiversity and EIA requirements, restoration or compensation obligations where necessary, and the conversion of ecosystem degradation into indirect credit risk	Development of nature-related solutions, restoration and rehabilitation, and compensation finance as strategic product areas

This assessment indicates that nature-related risks for TKYB should not be treated as a uniform risk across the portfolio. They differ according to factors such as technology, habitat characteristics, KBA overlap, water risk and site specific management obligations.

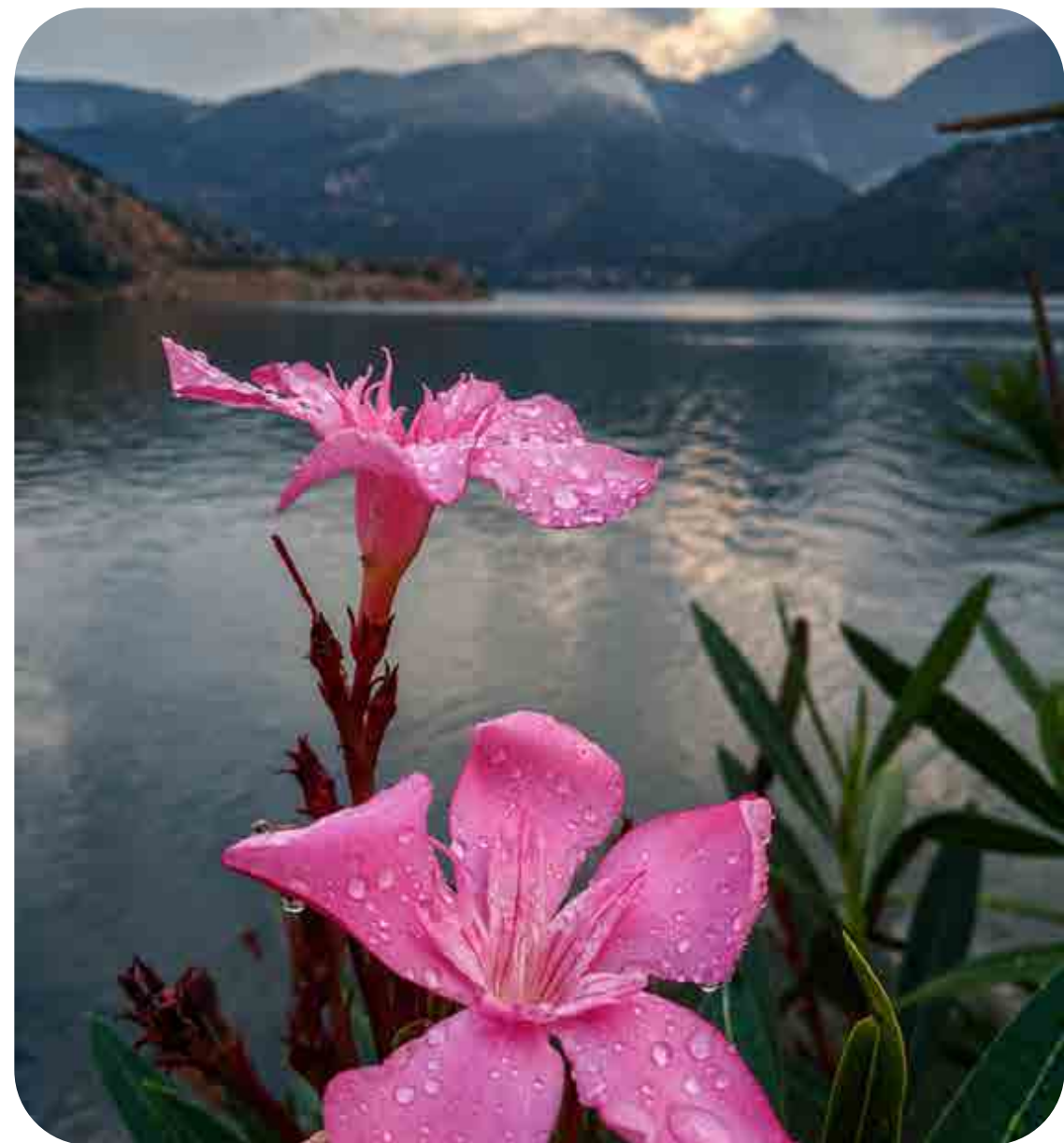
PILLAR 2: STRATEGY

DISCLOSURE B: EFFECTS ON THE BUSINESS MODEL, VALUE CHAIN, STRATEGY AND FINANCIAL PLANNING, INCLUDING TRANSITION PLANS OR ANALYSIS

TKYB's business model is built on financing sustainable development. At the end of 2025, 96% of the Bank's portfolio was aligned with the Sustainable Development Goals and 56% was associated with climate action. The Bank contributes to financing 3,475 MW of capacity, equivalent to approximately 7% of Türkiye's total installed renewable energy capacity. This positioning makes nature-related issues an important element of both credit risk management and the sustainable finance strategy.

The Bank's exposure to nature-related risks arises mainly through the financed portfolio and the indirect credit risk channel. Projects located in sensitive habitats, near protected areas, or close to or overlapping areas of high biodiversity value such as KBAs may be subject to permitting, additional monitoring or compensation obligations. These factors can affect client project performance and therefore the Bank's credit risk through channels including delays in project schedules, higher investment costs, restrictions on construction or production during sensitive periods, the need to align with international funder expectations and reputational pressure. These effects have not been modelled in monetary terms for this reporting period. The purpose of this assessment is to make the relevance of nature-related risks within the Bank's credit risk approach visible.

From the perspective of financial planning and transition capacity, TKYB is positioned as a development finance institution capable of mobilizing international capital for sustainable and climate focused finance. The EUR 100 million sustainable Eurobond issued with AFD financing is a concrete example of this capacity. At least 75% of the proceeds were allocated to green projects contributing to climate action and the remaining portion to social projects. The issuance was based on a Sustainable Finance Framework aligned with the ICMA Green Bond Principles and Social Bond Principles and the LMA Green Loan Principles and Social Loan Principles and supported by a Second Party Opinion. The Bank's approach of not financing the fossil fuel sector and the environmental and social standards that apply to transactions involving international financial institutions such as the World Bank, KfW and AFD provide external reference points and discipline for managing nature-related risks.



DISCLOSURE C: RESILIENCE OF THE STRATEGY UNDER DIFFERENT SCENARIOS

TKYB conducts climate related scenario analysis under the TSRS Report using NGFS transition scenarios and IPCC SSP physical scenarios. Nature-related strategic resilience was assessed qualitatively by building on this climate scenario framework and considering the level of degradation in ecosystem services and the degree to which policy and market expectations align with a nature positive transition.

TNFD allows scenario analysis to be conducted in proportion to an organization's scale, data maturity and circumstances. For this first reporting period, nature-related resilience was therefore considered through qualitative scenario narratives. The table below summarizes the portfolio's nature-related resilience under a two pathway scenario framework.

Table 6. Nature-related Strategic Resilience under a Two Pathway Scenario Framework
The framework links qualitative TSRS climate scenarios with TNFD nature scenario logic.

Dimension	Orderly transition pathway: NGFS Net Zero* 2050, SSP1 2.6 and nature positive alignment	Weak policy and delayed pathway: NGFS Current Policies, SSP5 8.5 and weak nature governance
Physical risk from nature	Pressures on habitats and water regimes remain manageable. WWF physical risk scores are expected to remain relatively stable	Ecosystem services deteriorate because of rising temperatures, drought and flood events. Physical risks increase, especially in sensitive forest, woodland and shrub habitats
Transition and regulatory risk	A predictable biodiversity and EIA framework allows clients to plan compliance processes and keeps credit risk at a limited level	Sudden and uncoordinated regulatory changes may increase costs arising from permitting processes and, where necessary, compensation obligations for projects overlapping KBAs or located in sensitive habitats. This may increase project delays and default risk
Reputational risk	A strong ESG system, exclusion criteria and transparent disclosure provide a competitive advantage for the Bank	Stakeholder pressure and effects on funding costs may become more significant because of financing activities in sensitive areas
Portfolio outcome	The renewable energy portfolio continues to make a strong climate contribution, while nature-related sensitivities are managed through site specific ESG practices, ESAP obligations and monitoring mechanisms. The strategy is therefore considered resilient because of existing management capacity	Exposures concentrated in sensitive habitats and KBAs require a more intensive management approach. ESAP implementation and independent monitoring mechanisms become critical under this scenario

*Within the scenario framework, NGFS pathways are used to represent climate transition risk, IPCC SSP pathways represent physical climate risk, and the assumptions of nature positive alignment and weak nature governance are used qualitatively to represent pressures relating to nature policy, markets and ecosystem services.

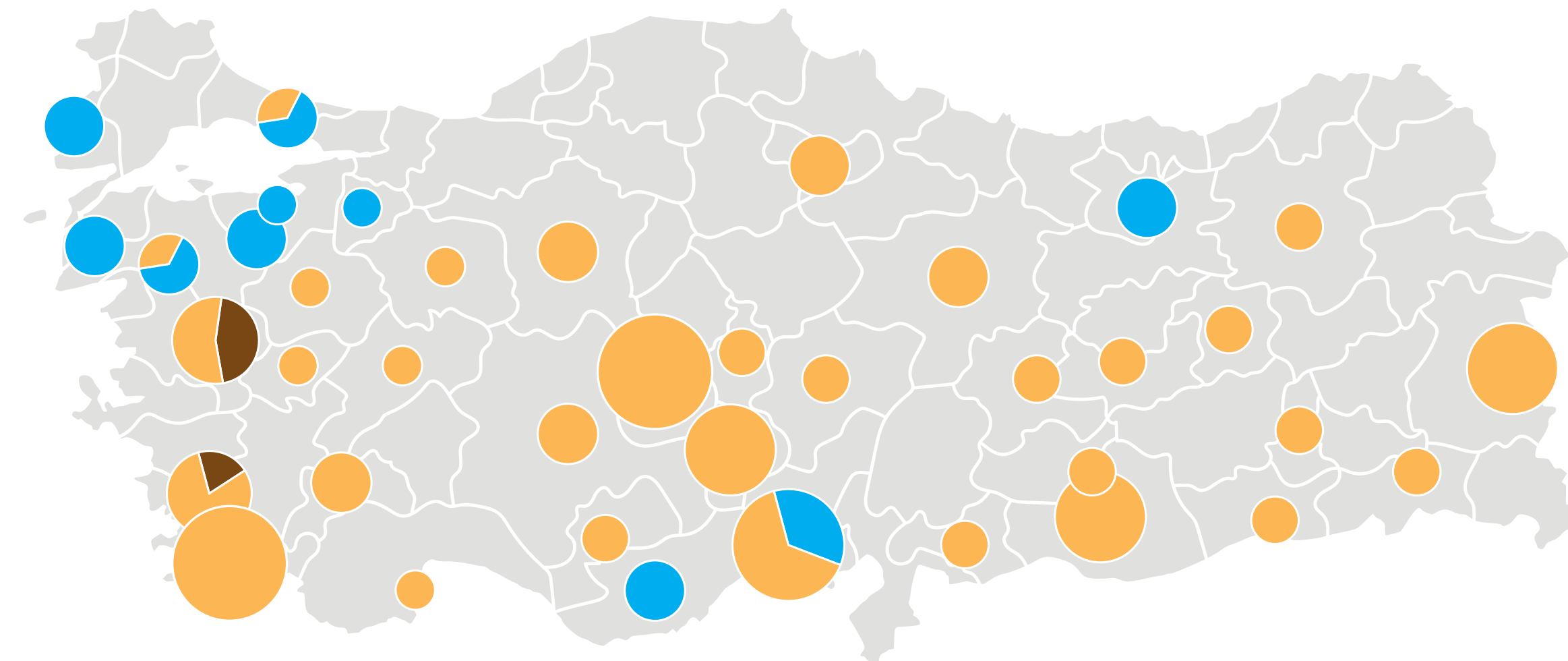
The assessment indicates that the renewable energy portfolio has an overall resilient profile. In the transition risk analysis conducted under the TSRS Compliant Sustainability Report, renewable energy clients are assessed as carrying low transition risk. Nature-related sensitivities, however, differ from climate transition risk because they depend on site specific factors such as land use, habitat characteristics, water stress and proximity to KBAs and protected areas. The principal issue for the Bank is therefore not widespread systemic vulnerability across the portfolio, but the effective management of project specific risks that may be concentrated in sensitive locations through the ESMS, ESAP obligations, monitoring requirements and additional ecological assessments where required.

PILLAR 2: STRATEGY

DISCLOSURE D: PRIORITY AND SENSITIVE LOCATIONS

Figure 3. Geographical distribution of the portfolio by province and technology mix (98 sites, 42 provinces)*

Bubble size is proportional to the number of sites; color / segment indicates technology.



Technology

- Solar (SPP)
- Wind (WPP)
- Geothermal (GPP)

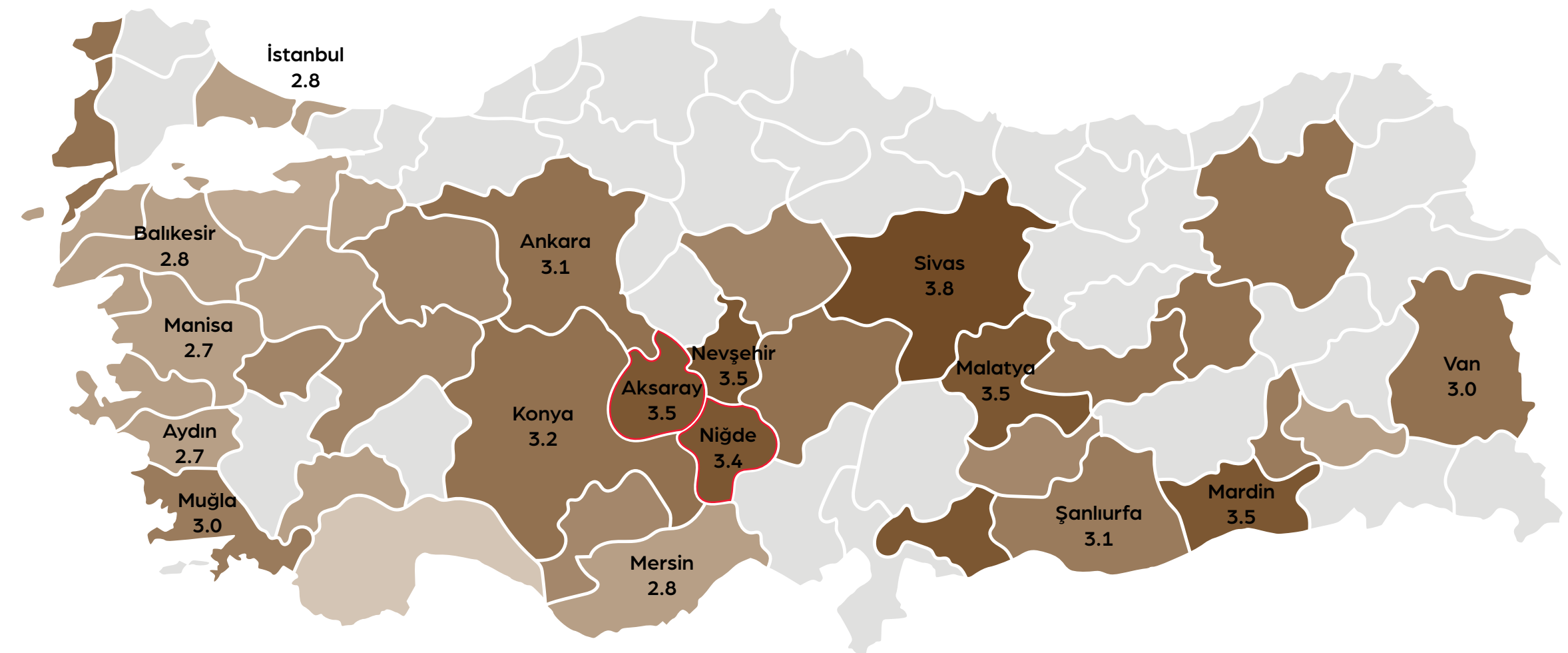
Bubble size

Fewer sites  More sites 

*Bubble size is proportional to the number of sites per province; colors and pie segments show the financed technology (solar / wind / geothermal). It contains no individual site coordinates and no client or credit information. Boundaries: Natural Earth.

Figure 4. Land-use pressure in the provinces where portfolio sites are located (WWF land / freshwater / marine use change indicator; provincial average, screening level 1–5)*

Provincial average – WWF land / freshwater / marine use change pressure (screening indicator, 1–5)
Orange outline: provinces with at least 3 sites and a high pressure score (≥ 3.3)



Pressure
score
(screening
indicator)



*The orange outline marks provinces with at least 3 sites and a high pressure score (≥ 3.3). The indicator reflects pressure in the areas surrounding the sites; it is not an impact attributed to TKYB. Source: WWF Risk Filter Suite v3.0; boundaries: Natural Earth.

PILLAR 2: STRATEGY

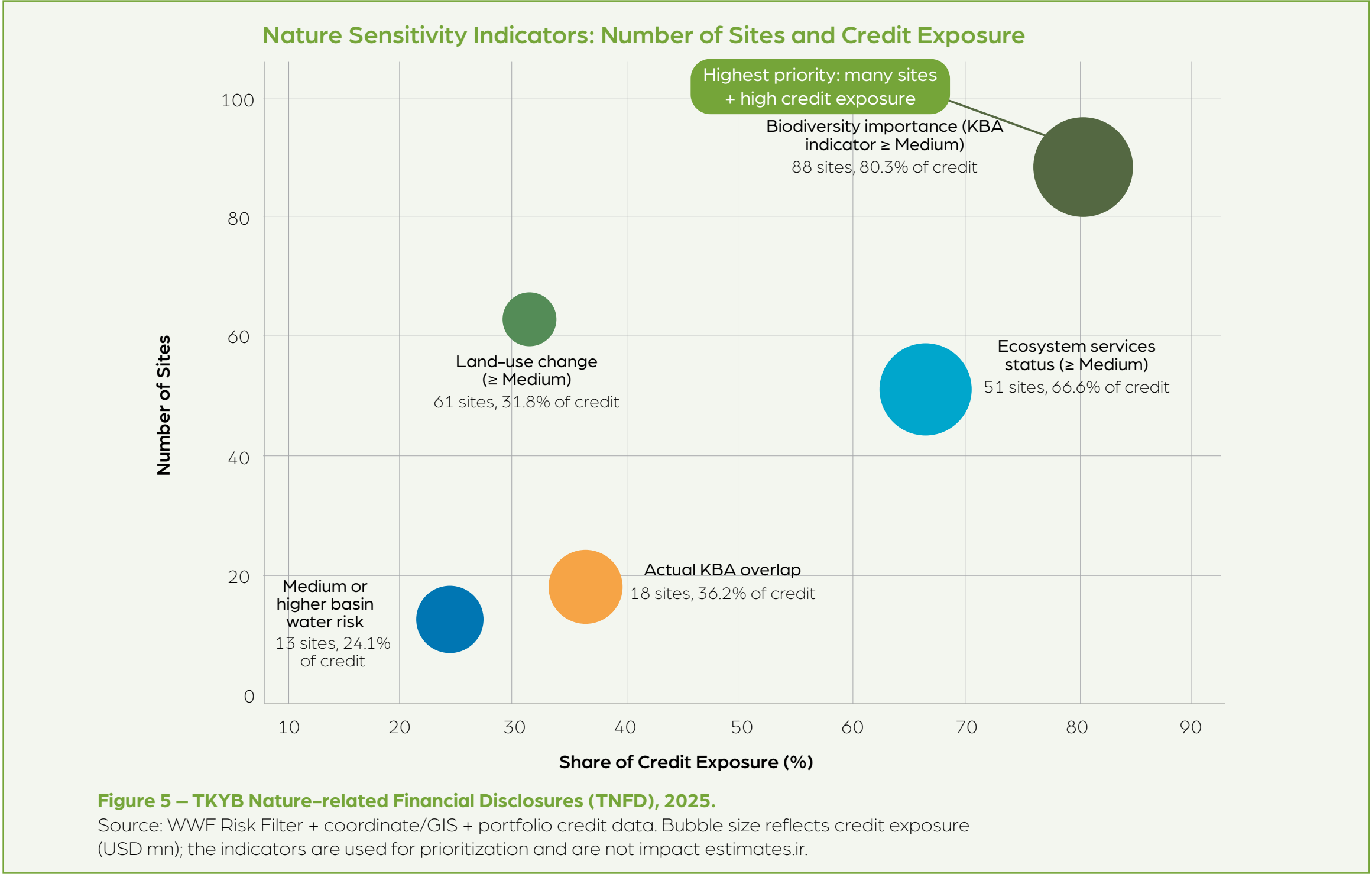
TNFD expects disclosure of priority and sensitive locations with intensive interaction with nature. The sensitive location assessment was carried out based on criteria such as biodiversity importance, ecosystem integrity, rapid decline in ecosystem integrity, high physical water risk, and high ecosystem service provisioning potential. TKYB matched these criteria with WWF risk filter indicators, site-based ecological condition assessments, GIS-based location analyses, and KBA overlap detection. The table below shows the number of prominent sites under each criterion and the related loan share.

Table 7. Portfolio by TNFD Sensitive Location Criteria*

TNFD sensitive location criterion	Sites	Share of loan balance	Source
Biodiversity importance indicator, WWF score Medium or above	88	80.3%	WWF
Importance for ecosystem service provision, Medium or above	51	66.6%	WWF
Indicator of rapid decline in ecosystem integrity, land use change Medium or above	61	31.8%	WWF
High physical water risk, basin risk Medium or above	13	24.1%	WWF
High ecosystem integrity or sensitive natural habitat characteristics	Site specific	Site specific	Ecological Condition Assessment
Actual KBA overlap	18	36.2%	Coordinate based GIS analysis

** A criterion applies when at least one of the conditions is met. A site may therefore fall under more than one criterion. The biodiversity importance indicator in the table is based on the KBA subindicator in the WWF Biodiversity Risk Filter.*

Figure 5. Sensitive Location Criteria



The most important conclusion of this analysis is that the interface with nature is not limited to the 18 sites overlapping a KBA, but covers a broader assessment area. The indicator of interface with areas of biodiversity importance includes 88 sites with a WWF Biodiversity Importance Indicator score of Medium or above. These sites account for approximately 80% of the loan portfolio. Not all of them are located within KBA boundaries. By contrast, coordinate based GIS analysis identifies 18 sites that directly overlap a KBA, representing approximately 36% of the outstanding loan balance. The KBA indicator in this report is therefore treated as a preliminary screening indicator of biodiversity sensitivity rather than as evidence that a site is located directly within a KBA.

Sites that overlap a KBA are generally located within the KBA boundary or in basins that may have an ecological relationship with a KBA. These projects are monitored through EIA processes, biodiversity assessments, ornithological and bat monitoring studies, ESAP obligations and monitoring mechanisms. This priority location approach does not make a definitive impact claim at individual project level. Instead, it supports portfolio level prioritization by considering technology type, principal basin, habitat sensitivity and credit exposure together.

Maturity priority. In future reporting periods, the sensitive location definition will be expanded to include protected areas, wetlands of international importance, ecological corridors and the WWF Water Risk Filter 2030 and 2050 scenario layers.

PILLAR 3: RISK AND IMPACT MANAGEMENT

This pillar explains how TKYB identifies, assesses, prioritizes and manages nature-related dependencies, impacts, risks and opportunities and how these processes are integrated into the Bank's overall risk management system. The Bank does not treat nature-related risks as a separate and independent process. It addresses them as an integral part of its existing Environmental and Social Management System and corporate risk management framework.

DISCLOSURE A(i): IDENTIFICATION, ASSESSMENT AND PRIORITIZATION IN DIRECT OPERATIONS

The nature footprint arising from the Bank's direct operations is limited, as its activities are conducted through a single headquarters office. At the operational level, environmental impacts such as water consumption, energy use and waste generation are identified, monitored and managed under the ISO 14001 Environmental Management System and the Integrated Management System. Water consumption is measured through separate meters, waste is segregated at source, and a zero waste approach is applied. Operational environmental impacts are prioritized using a scoring matrix based on likelihood and impact.



DISCLOSURE A(ii): IDENTIFICATION, ASSESSMENT AND PRIORITIZATION IN THE VALUE CHAIN, INCLUDING THE FINANCED PORTFOLIO

For TKYB, the financed portfolio is the most significant source of nature-related risk. Identification and assessment are conducted through the Environmental and Social Management System, which is integrated throughout the credit life cycle. The Environmental and Social Risk Assessment Procedure and the Risk Management Policy provide the basis for implementation.

Avoidance: List of Activities Not Financed

The first stage of nature-related risk management is the avoidance approach applied before financing. The Bank's List of Activities Not Financed contains exclusion criteria aligned with international standards for biodiversity conservation and nature protection. The following activities are excluded from financing: trade in wildlife and wildlife products regulated under CITES activities that conflict with protection obligations applying to wetlands of international importance under the Ramsar Convention, to sites protected under the Convention Concerning the Protection of the World Cultural and Natural Heritage, or to obligations under the Convention on Biological Diversity commercial logging in primary tropical rainforests or old growth forests production or trade of pesticides and herbicides banned internationally The list creates an exclusion mechanism aligned with international nature conservation conventions and prevents activities carrying high nature-related risk from entering the portfolio.

Screening, Classification and Screening Tools

Following the initial assessment against the List of Activities Not Financed, projects are classified as Category A, B plus, B or C using the Environmental and Social Risk Assessment Tool. This classification covers environmental and social matters including

impacts on water resources and biodiversity, climate resilience, community health and safety, land acquisition and resettlement, and cultural heritage, in line with the IFC Performance Standards and the World Bank Environmental and Social Framework.

At portfolio level, this process is supported by two complementary screening tools: ENCORE materiality screening and the WWF Risk Filter Suite. ENCORE contributes to the prioritization of technology specific dependencies and pressures related to nature. The WWF Risk Filter Suite provides coordinate based preliminary screening of biodiversity and water basin risks. The borrower's overall line of business or NACE code is not the primary determinant in this assessment. In the renewable energy portfolio, nature-related risks arise mainly from the technology of the financed asset, land use and site location. The NACE code is therefore used only as a supporting classification factor. ENCORE is treated as a preliminary input that identifies technology level nature-related dependencies and pressures rather than as a final tool for determining the risk of an individual site.

Site Specific Ecological Due Diligence

Beyond the screening layers, site specific ecological due diligence is conducted for each project. The process begins with obtaining the coordinates of the project site and related transmission lines in KMZ format. The assessment is not limited to reviewing the Environmental Impact Assessment report or the Project Description File. Publicly available literature, spatial data sources, site information and project documents are assessed together using the coordinates to conduct a location specific ecological sensitivity analysis. This analysis considers potentially sensitive species, habitat components, ecological receptors, areas of national importance, seasonal streams, wetlands and bird migration routes. The findings are integrated into the project specific environmental and social credit assessment process.

As part of credit analysis, the engineering team also assesses physical risks specific to the project location. Flood, landslide, wind, storm and earthquake risks are examined using references such as data from the Turkish State Meteorological Service, World Bank resources and the Türkiye Wind Atlas. This supports the integration of physical climate and disaster risks into credit decision processes in addition to site sensitivity related to nature. These physical and climate related hazards are assessed within the same credit assessment process and are explained in detail in the TSRS Report.

Nature-related Risk Inventory

Assessment outputs were converted into a nature-related risk inventory in line with the risk inventory approach used in the TSRS Report. Nature-related risks were classified by considering likelihood, potential financial and operational effects, regulatory obligations, site sensitivity and existing controls.

Likelihood and impact were assessed on a five level scale:

- 1, Very Low,
- 2, Low,
- 3, Medium,
- 4, High,
- 5, Very High

The gross risk score was calculated as likelihood multiplied by impact before controls. Residual risk was assessed qualitatively after considering existing ESG assessments, ESAP provisions, contractual obligations, independent monitoring and portfolio monitoring controls.

This assessment is not a credit risk model that calculates Expected Credit Loss, probability of default or monetary loss from nature-related risks. The five level scale is used to prioritize nature-related risks at the screening level and connect them with the Bank's existing risk management architecture.

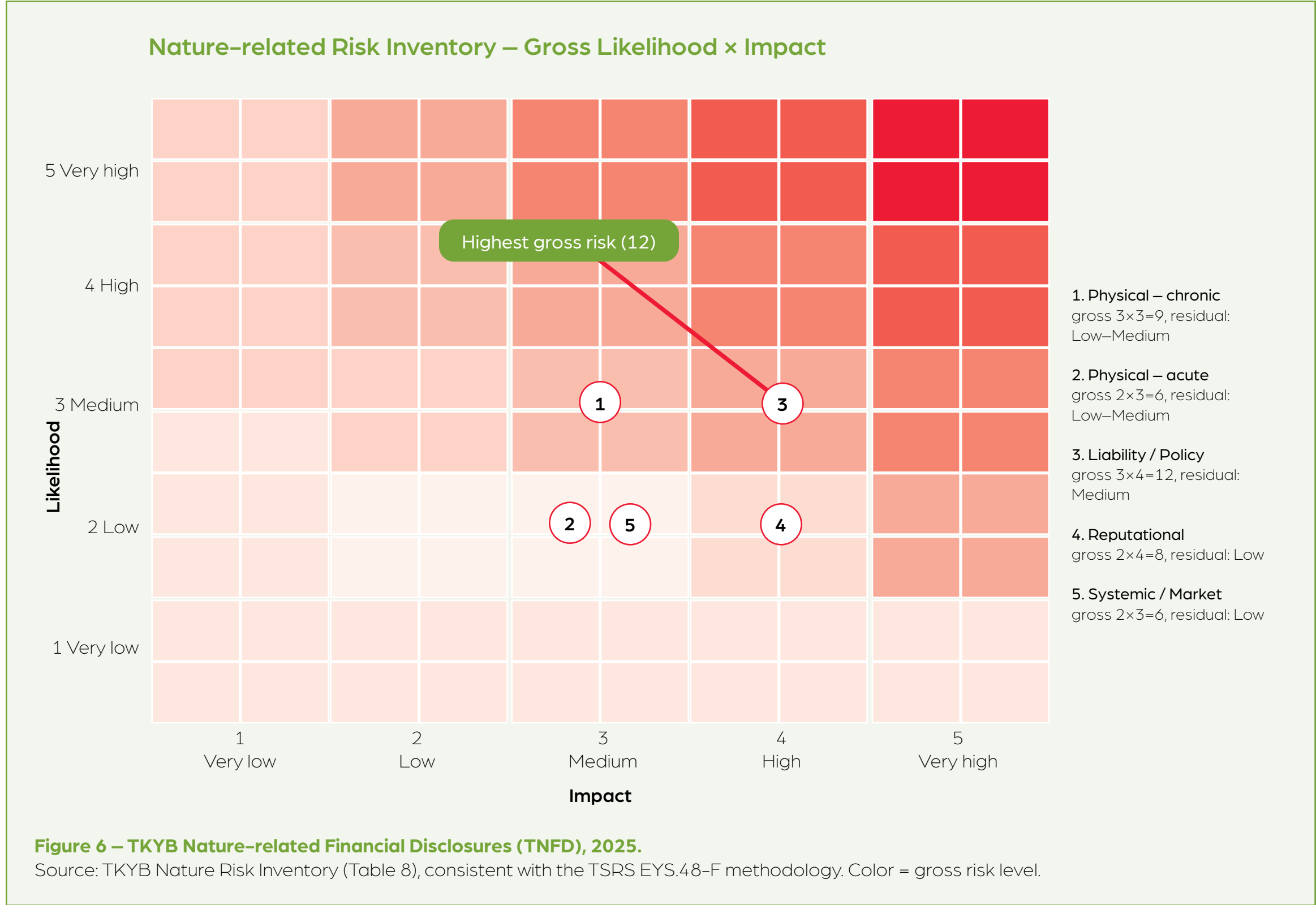
PILLAR 3: RISK AND IMPACT MANAGEMENT

Table 8. Nature-related Risk Inventory

Risk type	Nature-related definition and priority horizon	Gross likelihood and impact	Existing controls, ESG and ESAP	Residual risk
Chronic physical risk	Indirect effects of deterioration in ecosystem services, water regimes, soil structure and erosion, and habitat quality on project performance and monitoring obligations. Primarily a medium to long term risk for geothermal projects and projects located in forest and shrubland	3 multiplied by 3 equals 9	Ecological due diligence, soil and habitat management plans, basin and water monitoring, biodiversity monitoring programs and ESAP obligations	Low to Medium
Acute physical risk	Effects of flood, storm, landslide and extreme weather events on site access, asset resilience and operational continuity. A short to medium term risk, especially for wind and utility scale solar projects	2 multiplied by 3 equals 6	Engineering disaster assessment, use of data from the Turkish State Meteorological Service, the World Bank and the Türkiye Wind Atlas, appropriate site selection and technical monitoring	Low to Medium
Liability and policy risk	Permitting, EIA, additional monitoring, conservation, restoration and, where necessary, compensation or offset obligations for projects in or near sensitive habitats and KBAs. A medium term risk, especially for the 18 KBA sites	3 multiplied by 4 equals 12	List of Activities Not Financed, coordinate based GIS analysis, Biodiversity Management Plan, independent monitoring, contractual ESAP obligations and IFC Performance Standard 6 compliance controls	Medium
Reputational risk	Effects of financing activities in sensitive areas on stakeholder perception, funder expectations and public sensitivity. A short term risk, especially for KBAs, sensitive habitats, geothermal projects and projects requiring intensive monitoring	2 multiplied by 4 equals 8	Stakeholder Engagement Plan, Grievance Redress Mechanism, public disclosure, sharing project summaries with client consent and regular monitoring reports	Low
Systemic and market risk	Potential for nature degradation to translate over the long term into credit and portfolio risk through regional water resources, soil quality, ecosystem services and sustainable finance criteria. A long term risk affecting the portfolio as a whole	2 multiplied by 3 equals 6	Portfolio monitoring, scenario analysis, application of sustainable finance criteria, sensitive location screening and increasing the share of the green portfolio	Low

**The methodology is aligned with the TSRS model in which risk score equals likelihood multiplied by impact. Gross scores represent likelihood and impact before controls. Residual risk represents the relative level after existing ESG and contractual ESAP controls. Ratings are at screening level and will be updated as data mature.*

Figure 6. Gross Risk Inventory (Likelihood × Impact)



The highest gross risk is liability and policy risk, with a score of 12. Chronic physical risk has a score of 9, reputational risk has a score of 8, and acute physical and systemic or market risks each have a score of 6. Residual risk represents the relative risk remaining after existing ESG practices and contractual ESAP obligations. The risk inventory shows that the highest residual risk is concentrated in the liability and policy category. This results from the potential effect on project implementation of permitting processes, EIA obligations, monitoring, conservation and, where necessary, compensation or offset requirements at sites associated with KBAs and sensitive habitats. Physical risks are monitored at a manageable level through existing technical, environmental and social assessment processes. Stronger linkage of nature-related risks with credit risk parameters, integration of nature-related key risk indicators into the formal risk limit framework, and future inclusion of these risks in Expected Credit Loss studies are priority development areas for TKYB.

PILLAR 3: RISK AND IMPACT MANAGEMENT

DISCLOSURE B: PROCESSES FOR MANAGING NATURE-RELATED DEPENDENCIES, IMPACTS, RISKS AND OPPORTUNITIES

The Bank's management response is applied not only at policy level but also at site level. Depending on the environmental and social risk category, biodiversity and environmental and social measures, Biodiversity Management Plans, monitoring programs and ESAP obligations are defined for Category A, B plus and B projects and integrated into loan agreements as binding provisions.

Ornithological and bat monitoring programs are prominent for wind projects and sites associated with KBAs. For geothermal projects, obligations relating to water use, reinjection and discharge monitoring are more significant. Project sites with sensitive habitat characteristics or KBA overlap are included within priority monitoring and management according to the findings of project specific ecological assessments.

The Bank's approach to managing nature-related risks is based on the internationally recognized mitigation hierarchy: avoidance, reduction, restoration or rehabilitation and, where necessary, compensation or offsetting.

Avoidance is implemented through the List of Activities Not Financed and project specific contractual restrictions. Reduction is supported through management plans, site management practices and monitoring programs. Restoration, rehabilitation and compensation are implemented through restoration, rehabilitation or compensation obligations where required by the results of ecological assessment.

For projects associated with sensitive habitats or KBAs, the Bank's approach is based first on preventing and reducing impacts in line with the mitigation hierarchy, followed by onsite rehabilitation and restoration measures where necessary. Compensation and offsetting are considered only as the final stage for managing residual impacts within the framework of project specific ecological assessment and applicable international standards.

Reduction: Nature Management Tools Required at Site Level

Depending on the findings of ecological due diligence, projects may be required to prepare and implement the following plans and programs in proportion to their risk level. These requirements are incorporated into loan agreements as binding provisions through the ESAP and, where necessary, the Environmental and Social Management Plan:

- Biodiversity Management Plan and related implementation plans
- Fauna Protection and Rescue Plan and, where necessary, Endemic Species Protection and Rescue Plans
- Invasive Species Action Plan, Soil Management Plan and Tree Protection and Rescue Plans
- Bird and bat monitoring programs and ornithological monitoring for relevant projects
- Air quality, traffic and site management plans for construction and operation
- Stakeholder Engagement Plan and Grievance Redress Mechanism

In addition to these tools, binding project specific contractual obligations are defined under the ESAP. Regardless of project type, these obligations include avoiding intervention in aquatic habitats, seasonal flow areas, streambeds and wetlands where present, and prohibiting the use of pesticides, herbicides and soil contaminating chemicals across the project site, including beneath solar panels.

Monitoring

Monitoring continues throughout the loan term during both construction and operation. In line with funding institution requirements and the environmental and social risk category of the project, monitoring is conducted by independent environmental and social consultants and Bank teams. For Category A and B plus projects, monitoring is conducted every six months during

construction and operation. Where a development finance institution or international financial institution requires additional measures, the frequency and scope of monitoring are updated accordingly. Serious accidents, significant environmental pollution incidents or significant social incidents must be reported to the Bank in writing by the client within three business days. Findings from monitoring are recorded regularly in Environmental and Social Monitoring Reports and used to assess project performance.

Scope of Management Response Across the Portfolio

The Bank's management response is not limited to the policy level; it is also implemented at the site level. Depending on projects' environmental and social risk category, biodiversity and environmental/social measures for Category A, B+, and B projects are defined through Biodiversity Management Plans, monitoring programs, and ESAP obligations, and are integrated into loan agreements as binding provisions. Ornithology and bat monitoring programs are prioritized for wind power (WPP) projects and sites associated with KBAs, while obligations related to water use, reinjection, and discharge monitoring take precedence for geothermal projects. Project sites exhibiting sensitive habitat characteristics or overlapping with KBAs are placed under priority monitoring and management based on the results of project-specific ecological assessments.

Case Study: Multiple Land Use and Biodiversity Friendly Site Management

An example of the Bank's management approach in practice is the application of multiple land use and biodiversity friendly site management at utility scale solar sites to reduce pressure on land and habitats. These practices support management of the same area for energy generation while maintaining ecological functions and contribute to reducing adverse effects on nature.



PILLAR 3: RISK AND IMPACT MANAGEMENT

A large utility scale solar project in Central Anatolia, with a capacity of approximately 1.3 GW direct current and 1 GW alternating current, is monitored through the Bank's credit monitoring process and provides a good practice example of managing land use, habitat pressure and local livelihoods together in renewable energy investment. The project site is located in an area containing steppe ecosystems around Lake Tuz. During the environmental and social assessment before investment, potential effects on biodiversity, habitats, species, water use, pasture use and local livelihoods were assessed comprehensively.

During operation, site management practices implemented by the project company are monitored regularly through the Bank's monitoring process. The implementation of the Biodiversity Management and Action Plan, invasive species management, flora and fauna monitoring, controlled sheep grazing beneath panels and stakeholder engagement are assessed through monitoring reports. Protection of natural vegetation developing under sun tracking movable panel systems, controlled sheep grazing and restrictions on grazing in sensitive ecological areas are examples of multiple land use at the site.

The case shows that nature-related impacts from utility scale solar investment should not be limited to the initial assessment. They should be monitored continuously throughout operation through monitoring reports, management plans, site observations, stakeholder feedback and corrective action where necessary.

Monitoring has found that natural vegetation continues to develop under the panels and that some endemic and local plant species continue to be present at the site. These findings support the view that the practice contributes to reducing land use pressure, improving site management and monitoring nature-related impacts throughout operation. Restricting grazing in sensitive areas, monitoring invasive species, maintaining the functionality of wildlife crossings and continuing bird monitoring are among the principal elements of the adaptive management approach.

The practice also has the potential to create co benefits for local livelihoods. During stakeholder consultations, some households benefiting from controlled grazing beneath panels provided positive feedback on lower feed costs and improved milk quality. This feedback is treated as qualitative observation obtained through site monitoring and stakeholder engagement rather than as measured performance data. An integrated approach is therefore applied to monitor both environmental benefits and local socioeconomic contributions.

It also shows that portfolio level nature-related risk analysis can be supported by project level monitoring findings. The practice is therefore presented not as a restoration claim by the Bank, but as a good practice example demonstrating risk reduction, multiple land use, monitoring of co benefits and adaptive site management.

DISCLOSURE C: INTEGRATION OF NATURE-RELATED PROCESSES INTO OVERALL RISK MANAGEMENT

TKYB positions nature and climate related risks as components of strategic risk management and addresses them through an integrated approach covering credit risk, operational risk, reputational risk and compliance risk. Nature-related assessment is not operated as a separate control mechanism. It is integrated into the credit life cycle and the Bank's existing risk management architecture.

This integration occurs at several stages from credit allocation to monitoring. Before financing, the List of Activities Not Financed, ESRET classification, review of EIA and ESMP documents, site specific ecological due diligence, analysis of proximity to KBAs and protected areas, and project specific ESAP obligations provide inputs to the credit assessment process. At the credit allocation stage, the final environmental and social risk category, contractual obligations and monitoring requirements are included in credit decision processes. Throughout the loan term, the risk profile is updated through independent monitoring reports, Bank site assessments, client notifications, serious incident reports and ESAP closure status. From a governance perspective, the outputs of nature-related risk assessments are transferred to the relevant committees and reporting mechanisms from the perspectives of credit risk, environmental and social risk, compliance risk and operational risk. Final environmental and social risk

categories, monitoring findings, improvement needs, significant incident notifications and noncompliance with contractual obligations are considered within the relevant decision making and monitoring processes. These outputs are integrated into the Bank's overall risk management framework through the Credit Evaluation Committee, the Asset and Liability Committee, the Audit Committee and periodic risk reports submitted to senior management.

The Bank has already integrated sustainability and climate criteria into rating models for corporate, small and medium enterprise and project finance loans. More systematic integration of nature-related variables into credit risk assessment models is considered a priority area for further maturity. Relevant indicators include sensitive location, habitat characteristics, water risk, relationships with KBAs and protected areas, ESAP performance and monitoring findings.

Maturity priority for Risk and Impact Management: The Bank plans to include nature-related key risk indicators in the formal risk limit framework and to integrate nature risks into Expected Credit Loss studies in a manner similar to climate transition risk.

PILLAR 4: METRICS AND TARGETS

This pillar presents the metrics used to assess nature-related risks and opportunities under Disclosure A, dependencies on and impacts on nature under Disclosure B, and the targets set to manage these matters under Disclosure C.

DISCLOSURE A: METRICS USED TO ASSESS MATERIAL NATURE-RELATED RISKS AND OPPORTUNITIES

Table 9: Material Nature-related Risk and Opportunity Metrics at Portfolio Level, 31 December 2025)

Metric	Value in 2025	Category
Loan exposure at sites overlapping a KBA	USD 420.5 million, 36.2%	Exposure: biodiversity
Exposure at sites in forest, woodland and shrub formations	USD 296.1 million, 25.5%	Risk: habitat and land cover
Indicator of interface with areas of biodiversity importance	88 sites, 80.3% of loan balance	Risk: biodiversity
Total site area of the 18 sites overlapping a KBA	3,773.6 hectares	Exposure: land
Exposure at sites with Medium or higher water basin risk	USD 280.6 million, 24.1%	Risk: water
Financed renewable energy capacity as a share of Türkiye's installed capacity	6.6%, 3,475 MW	Opportunity: climate and transition
Share of SDG aligned lending	96.2%	Opportunity: sustainable finance
Lending associated with climate action, SDG 13	55.8%	Opportunity: climate

An important distinction is that the amounts reported for KBA, habitat and land cover, and water risk represent monetary exposure, meaning the outstanding loan balance associated with the relevant sites. They do not represent expected loss, impairment or an estimate of monetary loss. The value of 3,773.6 hectares represents the total site area of the 18 sites overlapping a KBA. Since these sites are not necessarily located entirely within KBA boundaries, the figure does not represent the actual project footprint inside KBAs. Calculating the actual project footprint overlapping KBAs through site specific GIS intersection analysis is a priority area for further maturity.

Current Status against TNFD Core Metric Areas

Table 9A: TKYB's Current Status against TNFD Core Metric Areas

TNFD related theme	TKYB metric or tool	Status
Land use and spatial footprint	Site area in hectares, total approximately 6,350 hectares	Available
Habitat and ecosystem condition	Net land cover classification for 98 sites	Available
Sensitive locations and KBA overlap	KBA share, coordinate based GIS intersection and sensitive location criteria	Available
State of nature and biodiversity	WWF Biodiversity Risk Filter scores	Available as a proxy indicator
Water risk at basin level	WWF Water Risk Filter scores	Available as qualitative and proxy indicators
Land and habitat conversion, net change	Portfolio level net change indicator	To be developed
Biodiversity monitoring	Biodiversity Management Plans, ornithological and bat monitoring, and species specific plans	Available at site level
Pollution and exclusion criteria	ESAP prohibition on pesticide use and exclusion list covering CITES, Ramsar and the Convention on Biological Diversity	Available
Greenhouse gas emissions and financed emissions	PCAF Scope 3 Category 15 under the TSRS Report	Available

The principal message from the table is that spatial and habitat focused portfolio metrics are already traceable. Land use, KBA overlap, land cover and habitat classification, and site specific biodiversity monitoring form the core of the existing measurement infrastructure. Development areas include measuring net change in land and habitat conversion, separating the actual project footprint within KBAs through GIS intersection analysis, and assessing water risk quantitatively using scenario based approaches.

PILLAR 4: METRICS AND TARGETS

DISCLOSURE B: METRICS USED TO ASSESS DEPENDENCIES ON AND IMPACTS ON NATURE

Coordinate based biodiversity and water risk indicators provided through WWF Risk Filter Suite version 3.0 were used as supporting proxy metrics for the portfolio level assessment of dependencies on nature and impacts on nature. Scores are interpreted on a scale where 1 is Low and 5 is Very High. The table below presents loan weighted and simple average scores for the principal subindicators.

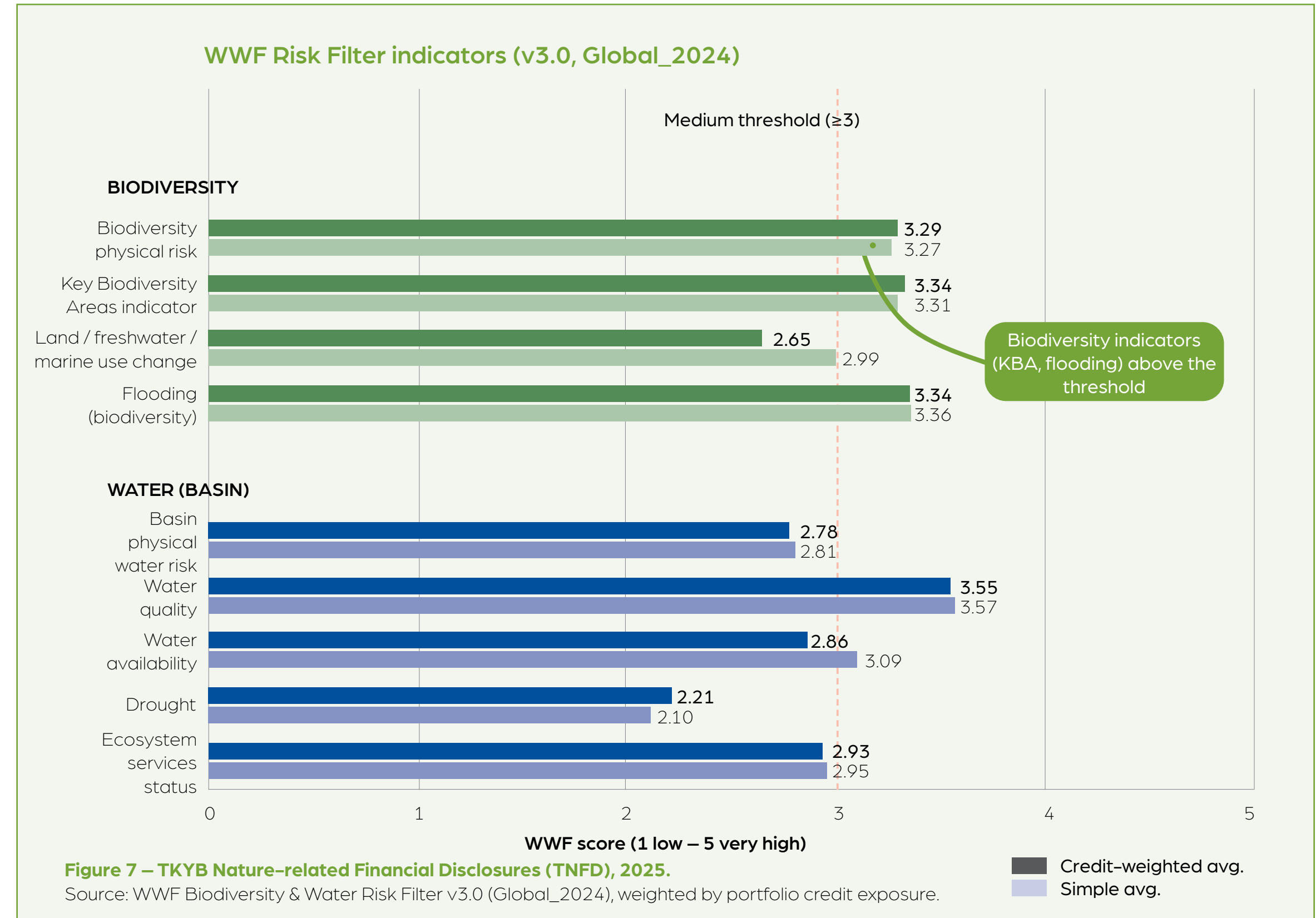
Table 10. Supporting Metrics Used to Assess Dependencies on and Impacts on Nature*

WWF indicator	Loan weighted average	Simple average	Range**
BIODIVERSITY RISK FILTER			
Biodiversity physical risk, overall	3.29	3.27	2.9 to 3.8
Key Biodiversity Areas indicator	3.34	3.31	2.0 to 4.0
Change in terrestrial, freshwater and marine use	2.65	2.99	1.8 to 3.8
Flood, biodiversity	3.34	3.36	2.8 to 3.9
WATER RISK FILTER, BASIN LEVEL			
Basin physical risk, overall	2.78	2.81	Not separately presented
Water quality	3.55	3.57	Not separately presented
Water availability	2.86	3.09	Not separately presented
Drought	2.21	2.10	Not separately presented
Ecosystem services status	2.93	2.95	Not separately presented

*The WWF Risk Filter Suite version 3.0 Global 2024 data set was used. The loan weighted average was calculated by weighting each site's score by its current outstanding loan balance. The simple average is based on the number of sites.

**The range is presented where site level minimum and maximum values could be separated.

Figure 7. WWF Biodiversity / Water Scores



The results show that biodiversity and habitat indicators are more prominent across the portfolio than water risk indicators. Within water risk, water quality is the most significant subindicator. Biodiversity physical risk is concentrated in the Medium range across the portfolio. The highest water related subindicator is water quality and the lowest is drought. The portfolio's land cover distribution is monitored as a habitat level impact metric. Of the loan portfolio, 25.5% is associated with sites containing forest, woodland and shrub formations, while 23.1% is associated with sites classified as built and industrial areas.

Corporate operational impacts are monitored within the scope of the Bank's limited office activities. In 2025, total water consumption was 4,213 cubic meters and water consumption per employee was 10.51 cubic meters. No industrial wastewater was generated during the period. All electricity consumption was matched with I-REC certificates. Waste sent for recovery comprised 13,059 kilograms of paper and cardboard, 1,125 kilograms of plastic, 657 kilograms of metal and 930 kilograms of glass.

PILLAR 4: METRICS AND TARGETS

DISCLOSURE C: TARGETS SET TO MANAGE NATURE-RELATED ISSUES AND PERFORMANCE AGAINST THOSE TARGETS

In its first TNFD reporting cycle, TKYB addresses its nature-related target approach in an integrated manner with its climate, sustainable finance and environmental and social management targets. Increasing low carbon finance, avoiding fossil fuel finance, maintaining the share of the sustainable portfolio, and continuing environmental and social management obligations at sensitive sites are the principal target areas supporting the management of nature-related risks. Renewable energy finance can generate nature-related effects such as land use and habitat pressure. Climate contribution and nature performance are therefore treated as separate assessment dimensions in this report. TKYB continues to monitor its strong climate contribution while identifying further development of site specific measurement, monitoring and target setting infrastructure for nature as a priority.

Table 11. Targets and Performance Intersecting with Nature, 2025

Target area	Target or approach	Status or performance
Net zero	Net zero target by 2050, inclusion of financed activities and approach of not financing fossil fuels	Validated by SBTi
Scope 1 and Scope 2	Reduction targets for 2030 and full reduction by 2050	Monitored under the GHG Protocol
Scope 2, market based	Sourcing electricity consumption from renewable energy	100% matched with I-REC certificates
Deforestation	Monitoring deforestation risks and reporting them transparently	Commitment included in the Climate Policy
Sustainable portfolio	Maintaining or increasing the share of SDG aligned lending	96.2% in 2025
Nature-related management	Continuing ESAP, management plan and monitoring obligations at sites associated with sensitive habitats and KBAs	Relevant Category A, B plus and B projects are within scope under the Procedure

These targets are not presented as final nature impact targets. They are transition, portfolio and governance targets that support the management of nature-related risks. The next stage for TKYB is to develop quantitative nature specific targets based on sensitive locations, habitat conversion, water risk and site specific biodiversity monitoring indicators.

NATURE SPECIFIC TARGETS

Target area	Implementation target	Monitoring indicator or output	Timing
Sensitive location analysis	Distinguish actual project footprint inside and outside KBAs and update the priority site list	Detailed analysis of the relationship between the project footprint and KBA boundaries at sites with actual overlap	2026
Habitat and land cover monitoring	Strengthen the portfolio level monitoring approach for sensitive habitat groups	Update habitat classification and prioritize sites containing sensitive habitats	2026 to 2028
Water risk and basin sensitivity	Deepen water risk assessment at sites with Medium or higher water basin risk	Basin based water risk prioritization and completion of required actions under the ESAP	2026 to 2028
Nature KRI set	Align principal nature-related risk indicators with the language of credit and portfolio risk management	Develop a KRI set covering KBA relationships, sensitive habitats, water risk, land cover and ESAP performance	2027
Technology specific risk profile	Monitor nature-related pressure and dependency profiles for utility scale solar, wind, geothermal and rooftop solar	Develop technology specific nature profiles and a comparative assessment approach	2026 to 2028
Reporting and methodology development	Strengthen the methodology established in the first TNFD application and make it applicable to other sectors	Updated methodology note, sector expansion plan, and improvements in data quality and scope	2027 and beyond

APPENDIX: METHODOLOGY, SDG AND GBF ALIGNMENT, AND DEVELOPMENTS AFTER THE REPORTING PERIOD

APPENDIX A: INTERSECTION WITH THE SDGs AND THE GBF, POLICY COHERENCE

As a development bank, TKYB measures the intersection of its loan portfolio with the Sustainable Development Goals as an integral part of the credit assessment process. This measurement provides a policy coherence framework that shows how nature-related issues intersect with the Bank's development mandate.

The table below presents the SDGs that directly intersect with nature, the related portfolio lending and the relevant targets of the Kunming Montreal Global Biodiversity Framework.

Table 12. SDGs Intersecting with Nature and Related GBF Targets*

Nature-related SDG	Portfolio lending	Related GBF target
	USD 37.0 million, 1.3%	Targets 1 to 4 on spatial planning, restoration and species conservation, and Target 3 on protected areas
	USD 38.3 million, 1.3%	Targets relating to marine and aquatic ecosystems
	USD 0.14 million	Target 11 on water and ecosystem services
	USD 1,587.3 million, 55.8%	Target 8 on the relationship between climate change and biodiversity

**SDG mapping is based on the Bank's credit assessment process. GBF mapping is based on TNFD alignment with the GBF. The SDG figures in this table are presented for the Bank's total loan portfolio and are not limited to the renewable energy portfolio within the scope of the TNFD analysis.*

APPENDIX B: DEVELOPMENTS AFTER THE REPORTING PERIOD AND STRATEGIC DIRECTION

In 2026, TKYB implemented a series of actions to strengthen its institutional capacity in relation to nature and biodiversity. These actions reflect strategic progress in managing nature-related risks and opportunities more systematically and in linking the Bank's sustainable finance approach more closely with the biodiversity agenda.

The Bank prepared a separate biodiversity framework defining its institutional approach to nature and biodiversity and completed the relevant internal approval processes. The framework supports more visible, traceable and systematic treatment of

biodiversity within credit assessment, environmental and social risk management, portfolio monitoring and stakeholder engagement.

The Bank also strengthens knowledge sharing and institutional capacity for integrating biodiversity into finance through working groups, meetings and workshops with public institutions, international organizations, development finance institutions and civil society stakeholders. This direction is aligned with the principle of stakeholder collaboration in the Climate Change Policy and will support further development of TKYB's nature-related disclosure, measurement and management capacity in future reporting periods.



APPENDIX: METHODOLOGY, SDG AND GBF ALIGNMENT, AND DEVELOPMENTS AFTER THE REPORTING PERIOD

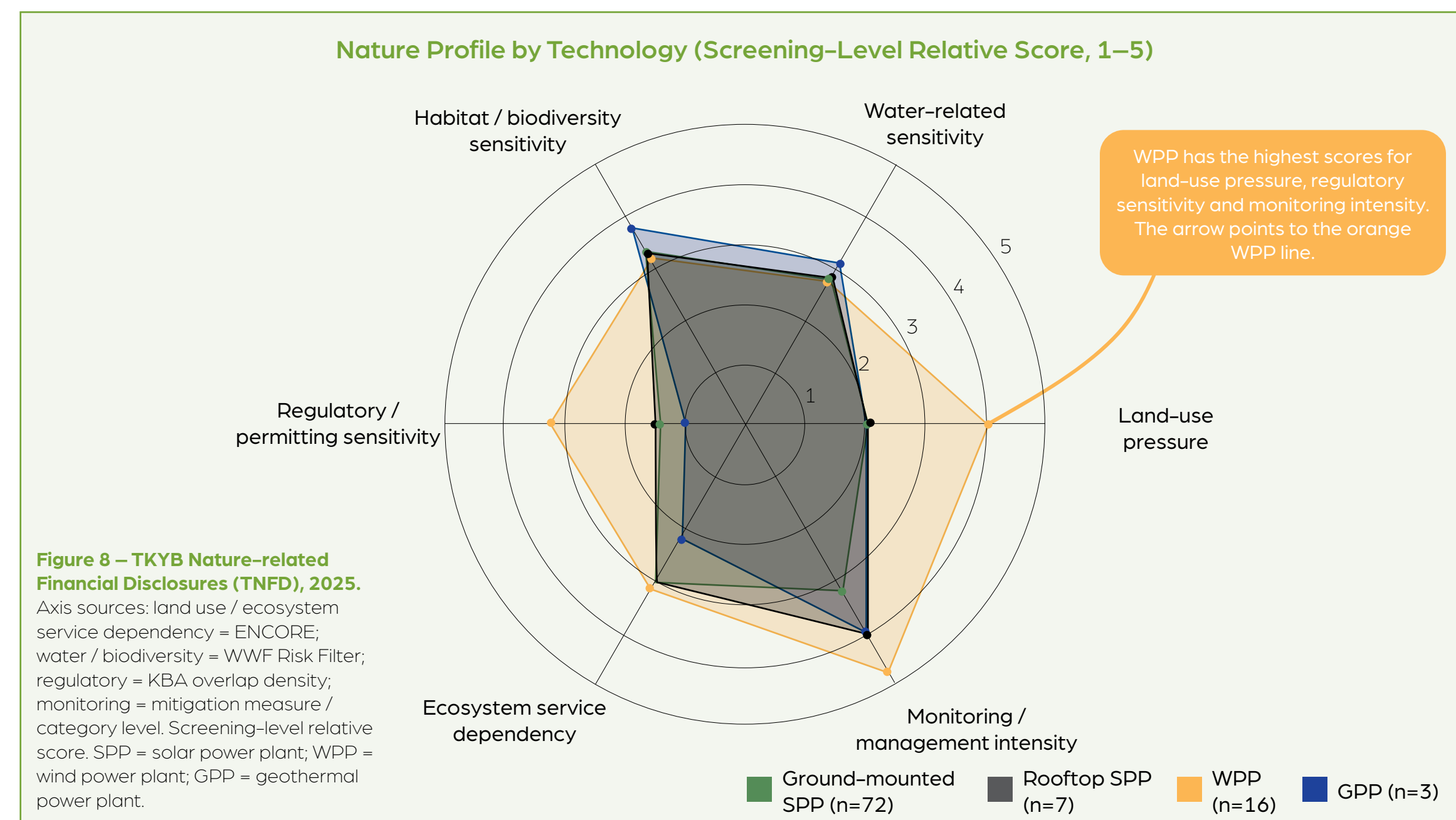
APPENDIX C: METHODOLOGICAL SCOPE AND AREAS FOR DEVELOPMENT

The analysis covers 98 subproject sites belonging to 78 clients. The total outstanding loan balance associated with these sites is USD 1,162,309,150. Dependency and pressure profiles were derived using ENCORE economic activity mapping. The classifications Solar energy production, wind energy production and Geothermal energy production were used for solar, wind and

geothermal projects respectively. ENCORE materiality ratings were used for technology level screening and prioritization.

The WWF Biodiversity and Water Risk Filters were applied at coordinate level using the Global 2024 data set. Scores are assessed on a scale from 1 to 5. In this report, 1 to 2 is interpreted as Low, 2 to 3 as

Figure 8. Nature Profile by Technology



Low to Medium, 3 to 4 as Medium and 4 to 5 as High to Very High. A threshold of 3 or above is used to identify exposures at Medium or higher levels. Habitat classification was conducted through coordinate based GIS land cover analysis using CORINE and dynamic land cover data sets as references.

The work was conducted using a portfolio level screening and due diligence approach. It is designed as a complementary analytical layer that should be assessed together with site specific EIA and ESIA studies, ecological assessments, monitoring reports and project specific environmental and social obligations. For clients with multiple sites, the outstanding loan balance is reported at the main project level. Some sub sites are therefore monitored within the portfolio distribution without carrying a separate outstanding balance.

Water risk was addressed in this first reporting cycle through WWF Water Risk Filter indicators and qualitative assessment. Scenario based quantitative assessment is identified as an area for development in future periods.

Linking nature-related risks with credit risk parameters such as probability of default, loss given default and Expected Credit Loss will be developed gradually in future reporting periods. This integration requires multiyear and comparable data sets to analyze relationships among nature exposure, compliance and improvement costs, operational disruption and credit performance. The approach adopted in this report integrates nature data into the Bank's existing risk management approach through risk categories, likelihood and impact assessment, ESAP obligations and monitoring processes.

APPENDIX: METHODOLOGY, SDG AND GBF ALIGNMENT, AND DEVELOPMENTS AFTER THE REPORTING PERIOD

TNFD CONTENT INDEX

The table below shows where the 14 TNFD recommended disclosures across the four pillars are addressed in this report. All disclosures are covered.

Pillar	Guidance	TNFD recommended disclosure	Relevant section in the report	Original page	Pillar	Guidance	TNFD recommended disclosure	Relevant section in the report	Original page
Pillar 1 Governance	All sectors	A: Describe the Board's oversight of nature-related dependencies, impacts, risks and opportunities	Pillar 1, Disclosure A	165	Pillar 2 Strategy	All sectors	A: Describe the nature-related dependencies, impacts, risks and opportunities the organization has identified over the short, medium and long term	Pillar 2, Disclosure A	167
	All sectors	B: Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities	Pillar 1, Disclosure B	166		All sectors and financial institutions	B: Describe the effect that nature-related dependencies, impacts, risks and opportunities have had on the organization's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place	Pillar 2, Disclosure B	170
	All sectors and financial institutions	C: Describe the organization's human rights policies and engagement activities, and oversight by the Board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organization's assessment of and response to nature-related dependencies, impacts, risks and opportunities	Pillar 1, Disclosure C	166		All sectors and financial institutions	C: Describe the resilience of the organization's strategy to nature-related risks and opportunities, taking into consideration different scenarios	Pillar 2, Disclosure C	170
						All sectors and financial institutions	D: Disclose the locations of assets or activities in the organization's direct operations and, where possible, upstream and downstream value chains that meet the criteria for priority locations	Pillar 2, Disclosure D	171

APPENDIX: METHODOLOGY, SDG AND GBF ALIGNMENT, AND DEVELOPMENTS AFTER THE REPORTING PERIOD

Pillar	Guidance	TNFD recommended disclosure	Relevant section in the report	Original page	Pillar	Guidance	TNFD recommended disclosure	Relevant section in the report	Original page
Pillar 3 Risk and Impact Management	All sectors	A(i): Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its direct operations	Pillar 3, Disclosure A(i)	173	Pillar 4 Metrics and Targets	All sectors	A: Disclose the metrics used by the organization to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process	Pillar 4, Disclosure A	177
	All sectors and financial institutions	A(ii): Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chains, including financed activities.	Pillar 3, Disclosure A(ii)	173		All sectors and financial institutions	B: Disclose the metrics used by the organization to assess and manage dependencies on and impacts on nature	Pillar 4, Disclosure B	178
	All sectors	B: Describe the organization's processes for managing nature-related dependencies, impacts, risks and opportunities	Pillar 3, Disclosure B	175		All sectors	C: Describe the targets and goals used by the organization to manage nature-related dependencies, impacts, risks and opportunities and its performance against these	Pillar 4, Disclosure C	179
	All sectors	C: Describe how processes for identifying, assessing, prioritizing and monitoring nature-related risks are integrated into and inform the organization's overall risk management processes	Pillar 3, Disclosure C	176					

This report is TKYB's first generation nature-related financial disclosure, prepared for Development and Investment Bank of Türkiye Inc. on the basis of the TNFD Recommendations version 1.0, September 2023, and the LEAP approach. It should be considered together with the TKYB 2025 Integrated Report and the TSRS Compliant Sustainability Report.

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