50. YIL | KALKINMA YATIRIM BANKASI

The Legacy of the Past, **Building the Future**

As the Development and Investment Bank of Türkiye, we blend our half-century of development experience with a vision for a sustainable future. This integrated report reflects our corporate responsibility journey, where we address economic, environmental, and social values with a holistic approach.

DEVELOPMENT AND INVESTMENT BANK OF TÜRKİYE
2024 INTEGRATED REPORT

TABLE OF CONTENTS

01 About The Report

02 Overview of the Development and Investment Bank of Türkiye

03 Responsible Banking for a Sustainable Future

04 Our Value Creation Model

05 Effective Corporate Governance

06 Appendices

TSRS

Abbreviations

AIIB	Asian Infrastructure Investment Bank
USA	United States of America
ADFIAP	Association of Development Financing Institutions in Asia and the Pacific
AFD	Agence Française de Développement
IFIs	Intermediary Financial Institutions
AIIB	Asya Altyapı Yatırım Bankası (Asian Infrastructure Investment Bank)
CEB	Council of Europe Development Bank
APEX	Wholesale Banking
API	Application Programming Interface
AR	Absenteeism Rate
R&D	Research & Development
BRSA	Banking Regulation and Supervision Agency
BIST	Borsa İstanbul
UN	United Nations
IS	Information Systems
IT	Information Technologies
CDB	Chinese Development Bank
CDP	Carbon Disclosure Project
EIA	Environmental Impact Assessment
COP	Conference of the Parties
CRM	Customer Relationship Management
CISA	Certified Informations Systems Auditor
CTF	Clean Technology Fund
CTI	Cyber Threat Intellingece
ESMS	Environmental and Social Management System
DCP	Diffusion Capital Partners
DEG	German Development Finance Institution
SPO	State Planning Organisation
IEIS	Integrated Environmental Information Systems
EIB	European Investment Bank
EIF	European Investment Fund
EBRD	European Bank for Reconstruction and Development
EGDIP	European Green Deal Investment Plan
EIF-NPI	European Investment Fund National Promotional Institutions
ERTA	Integrated Reporting Türkiye Network
ERP	Enterprise Resource Planning
EOI	Expression of Interest
EYDK	Impact Investing Advisory Board

FED	Federal Reserve Bank
FEF	Non-Financed Activities
FMO	Dutch Entrepreneurial Development Bank
FinTek	Financial Technology
FRIT II	Aid Program for Refugees in Türkiye
GKSS	Syrians Under Temporary Protection
GRI	Global Reporting Initiative
GSPYŞ	Development Venture Capital Portfolio Management Inc.
VCIF	Venture Capital Investment Fund
GDP	Gross Domestic Product
ICBC	Industrial and Commercial Bank of China
ICMA	International Capital Market Association
IDB	Inter-American Development Bank
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
IMF	International Monetary Fund
IR	Incident Rate
IP	Internet Protocol Address
ITSM	Information Technologies Service Management
IsDB	Islamic Development Bank
İKO	Organization of Islamic Cooperation
COMCEC	The Standing Committee for Economic and Commercial Cooperation
OHS	Occupational Health & Safety
ISO	Istanbul Chamber of Industry
İVCi	Istanbul Venture Capital Initiative
JBIC	Japan Bank for International Cooperation
JCR	Eurasia Rating
GPP	Geothermal Power Plants
VAT	Value Added Tax
KfW	German Development Bank
CGF	Credit Guaranteed Fund
KGSPYŞ	Development Venture Capital Portfolio Management Inc.
SME	Small and Medium Entreprises
KOSGEB	Small and Medium Enterprises Development Organization of Türkiye
SLF	Special Loan Fund
KPI	Key Performance Indicators
PDP	Protection of Personal Data

Abbreviations

DIB	Development and Investment Banks
LDR	Lost Days Ratio
LMA	Loan Market Association
MASAK	Financial Crimes Investigation Board
MBA	Master of Business Administration
MIGA	Multilateral Investment Guarantee Agency
MKK	Central Registry Agency
MW	Megawatt
MKFS	Central Invoice Recording System
ODM	Emergency Situations Center
METU	Middle East Technical University
ODR	Occupational Disease Rate
OECD	Organization for Economic Co-operation and Development
OPIC	American International Development Finance Corporation
OPEC	Organization of Petroleum Exporting Countries
OWASP	Open Worldwide Application Security Project
PRB	Principles of Responsible Banking
POC	Proof of Concept
RPA	Robotic Process Automation
RSM	Risk Sharing Mechanism
RIPE IP	European IP Network
SDG	Sustainable Development Goals
SLA	After-Sales Services
SME	Small and Medium-Sized Enterprises
SMART	Specific Measurable Accepted Realistic Timely
SLBP	Sustainability-Linked Bond Principles
SOFR	Secure Overnight Financing Rate
SÖİK	Pre-Shipment Export Credit
CMB	Capital Markets Board of Türkiye
SPO	Second Party Opinion
SPV	Special Purpose Vehicle
SSL	Secure Sockets Layer
NGO	Non-Governmental Organizations
T.C.	Türkiye Cumhuriyeti
TRY	Turkish Lira
TBB	The Banks of Association of Türkiye
TBMM	Grand National Assembly of Türkiye
TCMB	Central Bank of the Republic of Türkiye
TDO	Conversion Rate to Follow
TII	Türkiye Investment Initiative
TİF	Türkiye Innovation Fund
TDF	Türkiye Development Fund
TKYB	The Development and Investment Bank of Türkiye
TSE	Turkish Standards Institution
TSRS	Türkiye Sustainability Reporting Standarts
TCMA	Türkiye Capital Markets Association
TFRS9	Türkiye Financial Reporting Standards
SDIF	Savings Deposit Insurance Fund
TOGAF	The Open Group Architecture Framework
TAKSAN	Machine Tools Industry and Trade Inc.
TEMSAN	Turkish Electromechanical Industry Inc.
TESTAŞ	Turkish Electromechanical Industry Inc.
TEI	Turkish Engine Industries Inc.
UNEP - FI	United Nations Environment Programme Finance Initiative
UNDP	United Nations Development Programme
UNGC	United Nations Global Compact
CRF	Corporate Governance Compliance Report
ABS	Asset Backed Securities
WEF	World Economic Forum
WEPs	Women's Empowerment Principles

01

A **Journey** with Solid Foundations

The perspective shaped by values from the past carries the corporate stance and strategic goals to the present.

ABOUT THE REPORT

About the Report

The 2024 Integrated Report of Türkiye Kalkınma ve Yatırım Bankası A.Ş. (TKYB) represents the Bank's fifth published integrated report.

These reports are published regularly each year. Covering the period from January 1, 2024 to December 31, 2024, this report provides a detailed examination of the Bank's sustainability practices, corporate strategies, governance approach, and performance, while comprehensively assessing their impact on sustainable development. The report includes data solely related to Türkiye Kalkınma ve Yatırım Bankası A.Ş. Although the integrated report covers only TKYB, the Bank's financial statements also incorporate the balance sheets of the companies listed below.

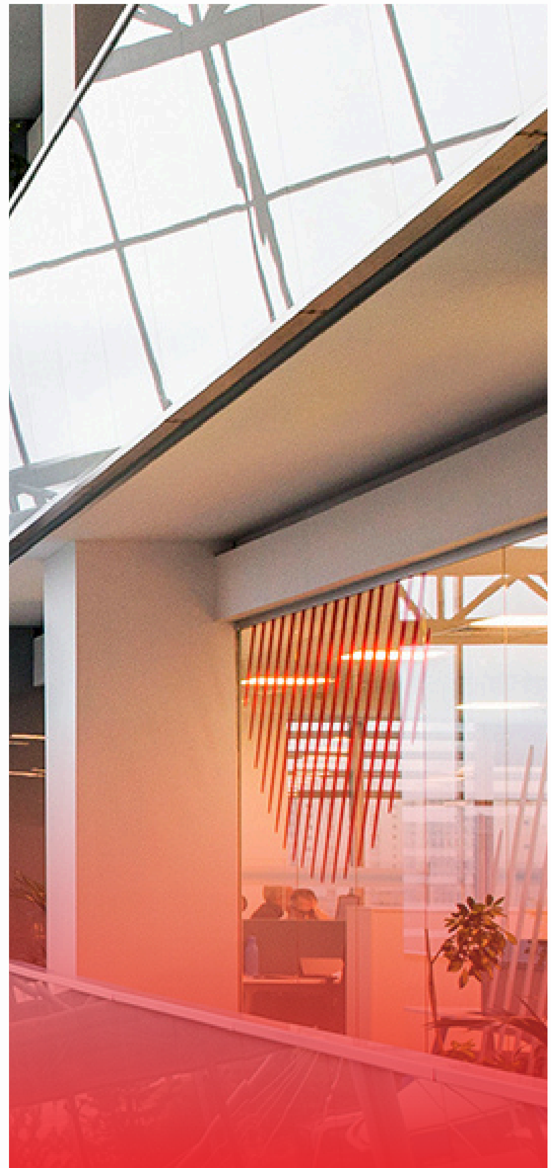
- Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş.
- Kalkınma Yatırım Varlık Kiralama A.Ş.
- Birleşik İpotek Finansmanı A.Ş.
- JCR Avrasya Derecelendirme A.Ş.
- Türkiye Yatırım İnisiyatifi – İVCİ (Alt Fon)
- Tasfiye Halinde Arıcak Turizm ve Ticaret A.Ş. [1]
- MAKSAN Malatya Makina Sanayi A.Ş.
- TAKASBANK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

The deregistration of our subsidiary under liquidation, T.H. Kalkınma Yatırım Menkul Değerler A.Ş., was completed on April 5, 2024, and as of that date, our Bank's affiliation with Kalkınma Yatırım Menkul Değerler A.Ş. under liquidation has officially ended.

1 Our subsidiary is under liquidation due to bankruptcy.

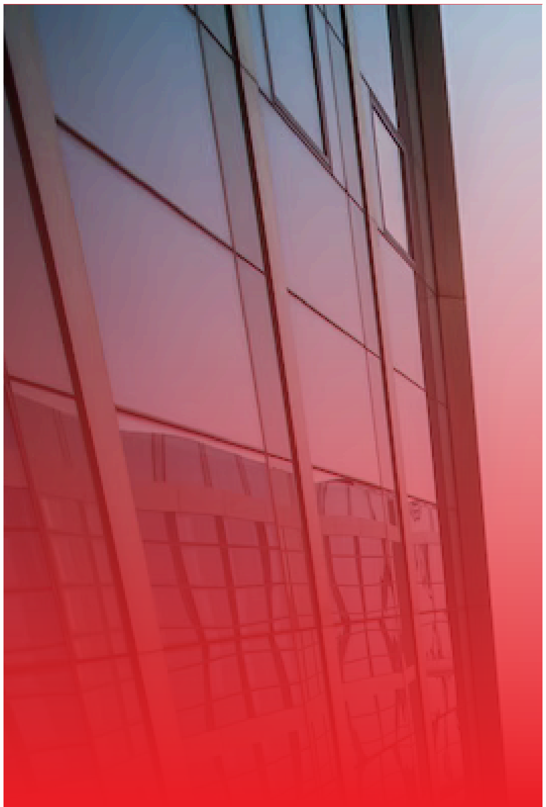
The 2024 Integrated Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and developed based on the International Integrated Reporting Framework supported by the Value Reporting Foundation. At the same time, this report serves as a Communication on Progress (COP) within the scope of the United Nations Global Compact, of which the Bank is a signatory. Through this report, TKYB also addresses the requirements of the Principles for Responsible Banking under the United Nations Environment Programme Finance Initiative (UNEP FI), of which it has been a founding signatory since 2019. Additionally, the report has been developed in alignment with the Türkiye Sustainability Reporting Standards (TSRS), and a separate TSRS-aligned disclosure has been prepared. The GRI Content Index and UNEP FI Principles for Responsible Banking Reporting Index are presented in the annexes for transparency.

While TKYB prepares its financial reports on a calendar year basis (January 1, 2024 – December 31, 2024), it has chosen to define a different time frame for its integrated reporting. This strategic decision was made to ensure more efficient collection and analysis of sustainability data and to align with the TSRS reporting window. As sustainability performance is typically evaluated from a long-term perspective, the report is prepared by considering sectoral analyses as well as national and international sustainability initiatives. This holistic approach aims to enhance transparency in both financial and sustainability reporting. Certain environmental and social indicators included in the report have been subjected to limited assurance by an independent third party.



Our Bank makes the necessary adjustments in its financial statements to accurately reflect the contributions of minority shareholders. These adjustments aim to account for the fair share of shareholders outside the Bank's control. In this way, the financial statements accurately represent the interests of all the Bank's stakeholders.

About the Report



For any comments or inquiries regarding our sustainability report, you may contact us at TKYBSurdurulebilirlik@kalkinma.com.tr.

Unless otherwise stated, all references to “Development and Investment Bank,” “DIB,” “the Bank,” “our Bank,” and “the Company” throughout the report refer to Türkiye Development and Investment Bank Inc. Similarly, the term “the Report” refers to Türkiye Development and Investment Bank Inc. 2024 Integrated Report. The checkmark symbol “✔” used in the report indicates that the related data has been subjected to limited assurance by an Independent Audit Firm.

Throughout the reporting period, collaboration was carried out with EY Audit Firm as part of the external assurance processes. There are no conflicts of interest or relationships that could compromise the independence of the assurance process. External assurance activities within the Bank are conducted in accordance with established policies and practices. These audit processes are carried out regularly in cooperation with independent and competent audit firms to ensure the accuracy and reliability of financial reports. At the same time, efforts to continuously strengthen and enhance internal control systems are ongoing. The highest governance body and senior management actively participate in the external assurance processes, providing managerial support to enhance the effectiveness of the audit process.

In the 2024 external assurance process, the Bank focuses particularly on carbon emissions, water usage, and social impacts. This process is based on the GRI Standards and the Portfolio Emissions Calculation Methodology. The assurance standards applied have been selected in alignment with specific assurance requirements, and the level of assurance reported is based on these standards. However, the external assurance process does include certain limitations. The limited assurance service is confined to the review of selected information related to environmental, social, and governance performance indicators.

Ensuring the 2024 Integrated Report of Development and Investment Bank of Türkiye (TKYB) is easily accessible to all stakeholders and enabling feedback on the report continues to be a key priority. In this context, a limited number of hard copies have been printed as part of our environmental and social responsibility commitments, while digital access channels have been expanded.

Chairman of the Board's Assessment

Dr. Raci KAYA
Chairman of the Board

Dear Stakeholders,

> The year 2024 marked a proud milestone for Türkiye Development and Investment Bank as we celebrated our 50th anniversary and took concrete steps in line with our country's sustainable development vision.

Over the past year, drawing strength from our half-century of heritage and expertise in development banking, we continued to provide long-term financing solutions to priority sectors in Türkiye's development agenda, including accelerating the green transition, promoting efficient resource use, and supporting inclusive growth.

Last year, the global economy exhibited limited growth due to central banks' tight monetary policies to combat inflation, high interest rates, and ongoing geopolitical uncertainties. Despite weak global economic activity and rising geopolitical risks, the Turkish economy demonstrated strong growth performance in 2024 at 3.2%, outpacing many developed economies.

Our Bank, which continues to enhance its effectiveness in all areas where it assumes responsibility for sustainable development, reached TL 154 billion in total assets by the end of 2024, while our operating income increased by 52%. Our loan portfolio, constituting 62% of total assets, reached TL 95 billion by year-end, with net profit standing at TL 6.2 billion. Our capital adequacy ratio remained robust at approximately 18%.

As a Bank that has placed sustainable development at the heart of all our activities since our inception, we continue to support Türkiye's sustainable development vision by financing renewable energy, energy efficiency, and environmentally friendly infrastructure projects, while striving to create an impact aligned with the United Nations Sustainable Development Goals (SDGs). In line with our impact-oriented development financing approach, we remain steadfast in fulfilling our responsibilities toward Türkiye's 2053 net-zero emission target.

Last year, we further expanded our support for the entrepreneurship ecosystem through the Türkiye Development Fund, which we established. We directed our investments toward next-generation startups developing strategic solutions in cybersecurity, artificial intelligence, digital technologies, and sustainable innovations—key drivers of our country's sustainable growth. In 2024, direct investments in the entrepreneurship ecosystem through the Türkiye Development Fund reached approximately 400 million Turkish Lira. Through this financing, we not only accelerated our nation's technology-driven transformation but also reinforced our commitment to development-focused impact investing. We continue to support Türkiye's technology-based transition through these investments.

As a Bank, we remain committed to fostering an environmentally sustainable future by providing financial support for green transformation projects. In line with this, we are taking a leading role in helping Türkiye achieve its 2053 net-zero emission targets. By financing projects that enhance resource efficiency, we focus on creating a development model with high environmental and social impact. As part of our development-oriented mission, we prioritize projects that reduce greenhouse gas emissions, strengthen energy supply security, and promote the efficient use of natural resources. Moving forward, we aim to take stronger steps in financing the green transition, further deepening our contribution to Türkiye's sustainable development goals.
In 2024, our Bank continued to make significant contributions to our country's development journey by extending the reach of our corporate social responsibility projects across education, environmental protection, and healthcare services. Through these initiatives, we aimed to touch diverse segments of society, promote local development, and generate long-term social benefits. Guided by our sustainability vision, we will continue to expand our social impact and increase our contributions to societal progress.

As a Bank, we will persistently integrate our economic performance with environmental sensitivity and social responsibility principles, upholding our duty to leave a more livable and sustainable world for future generations. With this approach, I reaffirm our unwavering commitment to delivering innovative and lasting solutions to our stakeholders. On this occasion, I would like to extend my gratitude, on behalf of myself and our Board of Directors, to all our employees, investors, and stakeholders who have journeyed with us as we celebrate our 50th anniversary.

General Manager’s Assessment

İbrahim H. ÖZTOP
General Manager and Board Member

Dear Stakeholders,

As Türkiye Development and Investment Bank, we have successfully concluded another year of determined efforts to contribute to our country's sustainable development vision while strengthening our financial performance. In this special year when we celebrated our 50th anniversary, we continued to support projects shaping Türkiye’s economic, environmental, and social development in line with our core mission. Drawing on our experience and expertise from our past, we maintained our financial support to priority sectors contributing to our nation's development while continuing to add value through partnerships developed in line with sustainable development goals.

2024 was a year in which we grew our assets and loan portfolio while continuing our support for green finance and development-focused investments. By year-end, we increased our assets by 14% to reach TL 154 billion and expanded our loan volume to TL 95 billion. Our net profit showed a 53% increase compared to the previous year, reaching approximately TL 6.2 billion, while our average equity ratio achieved a strong level of 38%. Our non-performing loans ratio stood at 0.77%, reflecting our high asset quality. These strong financial indicators demonstrate the Bank's success in risk management and resource allocation strategies while reinforcing our commitment to sustainable development goals.

Throughout the past year, within the framework of our development banking mission, we continued our efforts to provide resources for low-carbon and environmentally friendly projects through strong collaborations with international financial institutions. Through the financial solutions we provided for renewable energy, energy efficiency, and technology-focused initiatives, we made tangible contributions to our country's net-zero emission targets.

In 2024, we continued without interruption to provide resources to our country from major international financial institutions such as the World Bank, Asian Infrastructure Investment Bank, Japan International Cooperation Bank, China Development Bank, Islamic Development Bank, German Development Bank, Council of Europe Development Bank, Black Sea Trade and Development Bank, OPEC Fund for International Development, International Islamic Trade Finance Corporation, and French Development Agency.

In this context; we signed a $200 million USD and €200 million loan agreement with the World Bank under the guarantee of the Republic of Türkiye Ministry of Treasury and Finance, a $50 million USD financing agreement with the OPEC Fund for International Development (OFID) through borrowing from the Republic of Türkiye Ministry of Treasury and Finance for use in food security and agricultural industry, loan agreements of €300 million with the World Bank (IBRD) and $15 million USD with the Clean Technology Fund (CTF), as well as credit and grant agreements for a $1.5 million USD grant from ESMAP (Energy Sector Management Assistance Program), and a $100 million USD financing agreement with the International Islamic Trade Finance Corporation (ITFC), thereby continuing to provide resources to our country from international financial institutions.

Our expertise and experience in development banking have established our Bank as a strong actor providing long-term and sustainable financing to Türkiye’s priority sectors.

We continue to expand our impact by increasing credit facilities for priority development sectors ranging from industry to green energy, and from tourism to technology, while contributing to investors' access to finance in numerous areas including value-added production, renewable energy and energy efficiency, climate finance, food security, disaster resilience, emission reduction, financial inclusion and SME financing, technology, and regional development. In this regard, we are actively playing a role in helping our country achieve its development goals.

Within our investment banking activities, we continue to provide financial solutions and advisory services tailored to the needs of our public and private sector clients. While supporting investors in realizing their projects, we not only provide financing but also offer guidance in various areas such as strategy, structuring, and capital markets access, accompanying our clients on their sustainable growth journeys. In this context; in 2024, we completed significant transactions such as the acquisition of Traçim Cement by AC Cement, marking our Bank's 23rd merger and acquisition transaction. As a bank, we effectively utilize both traditional and alternative financing instruments and continue to pursue our investment banking activities with determination.

We continue to enhance our effectiveness in capital markets by strengthening our diversified product and service portfolio, contributing to market deepening, and developing innovative capital market products. In this direction, we have executed significant transactions within the scope of our capital markets activities through innovative financial instruments implemented last year.

In 2024, we executed OBA Makarna's 3.8 billion TL public offering while pioneering Türkiye's first wheat price-indexed sukuk issuance in the agricultural sector, adding value to markets through innovative products.

Through venture capital and private equity investments, we continue to contribute to sectors that support the development of our country, while also fostering the growth of the entrepreneurship ecosystem through investments in new-generation ventures with innovative business models. With the Türkiye Development Fund (TKF), which we established to guide strategic investments in our country's development journey, we have been increasing our impact on the entrepreneurship ecosystem year by year. As of the end of 2024, under the umbrella of the Türkiye Development Fund, the total amount of resources transferred to the entrepreneurship ecosystem has reached approximately USD 40 million, including USD 19.2 million transferred to 27 companies in the direct investment portfolio, approximately USD 9 million allocated to 345 TÜBİTAK BiGG startups, and commitments totaling approximately USD 11.5 million made to 5 VC funds. By increasing its number of investors to over 175 with its 9 funds, the Türkiye Development Fund has both expanded its investor base and made significant contributions to the growth of the entrepreneurship ecosystem in our country.

Last year, we established the TKYB Umbrella Fund with an initial closing size of USD 50 million. This fund operates under a fund-of-funds structure, investing solely in venture capital and private equity funds in the market, and is managed by the Türkiye Development Fund, with the Republic of Türkiye Ministry of Treasury and Finance and our Bank as the main investors. Through this fund, we continue our efforts to strengthen Türkiye's entrepreneurship ecosystem, contribute to the country's development by channeling resources—via funds—into high value-added and fast-growing ventures, and enhance our nation's technological capabilities.

In line with our aim to contribute to our country's goal of achieving full independence in energy supply, we continued to provide uninterrupted financial support for renewable energy and energy efficiency projects over the past year. As of the end of 2024, we financed 7% of Türkiye's renewable energy capacity, contributing to a reduction of 4.2 million tons of CO_2 emissions through these projects. By the end of last year, 96% of our loan portfolio consisted of sustainability-themed loans, and we financed projects with a total installed capacity of 3,691 MW. We contribute—both directly and indirectly—to 15 out of the 17 United Nations Sustainable Development Goals. Our Bank received a "B" (Management Level) score under the CDP, demonstrating that its climate change-related activities are managed at the organizational level and that a continuous improvement approach is adopted.

We have made significant progress in our corporate sustainability efforts. With the publication of our third Impact Report in line with the OPIM Impact Management Principles, our GRI-approved Integrated Report, and our Sustainable Bond Impact Report, we reaffirmed our commitment to the principles of transparency and accountability. While achieving a "Management Level" score in the CDP Climate Change program, we were also certified as a "Climate-Friendly Institution" by the Turkish Standards Institution (TSE).

In line with our sustainable development goals, the initiatives we implemented and the work we carried out earned us numerous prestigious awards from respected international institutions last year. Our Bank reinforced its leadership position in the sector by being named "Türkiye'sMost Sustainable Bank" at the World Finance Banking Awards. In independent assessments conducted by Sustainalytics, an international sustainability rating agency, we earned the titles of "ESG Industry Top Rated" and "ESG Regional Top Rated", placing us among the top 50 banks to receive these prestigious accolades. As a Bank that always prioritizes human capital in our operations, our people-centric policies and inclusive culture enabled us to earn the "Great Place To Work" certification for the second time in 2024. We also proudly secured spots on both the Great Place to Work Best Employers List and the Great Place to Work Social Responsibility and Volunteering List. Our international achievements and prestigious awards inspire us to continually advance our responsible and sustainable banking principles and raise our standards as an institution that competes with itself.

As Türkiye Development and Investment Bank, we remain steadfast in our commitment to supporting our country's green transformation goals in 2025 and beyond. In this regard, I would like to extend my sincere gratitude to the Republic of Türkiye Ministry of Treasury and Finance —our principal supporter—as well as to our Board of Directors, colleagues, and all stakeholders for their trust and continued support, which have been instrumental in positioning our Bank as the leading development and investment bank in Türkiye. We will continue to create value for our country by generating new financing opportunities, supporting the entrepreneurship ecosystem, developing innovative solutions in investment banking, and expanding our vision of inclusive development.

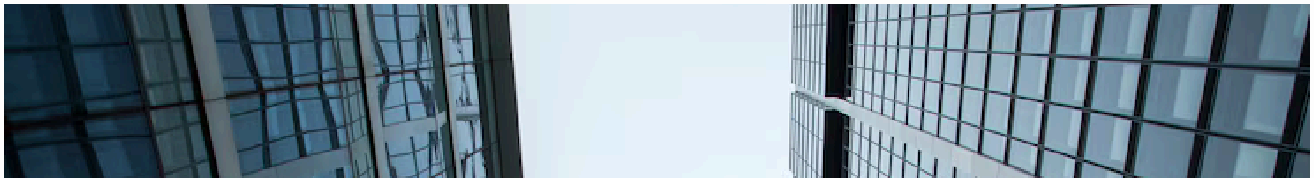
02

A Pioneer in Investment with Stability and Trust

A perspective shaped by historical values, carrying corporate stance and strategic goals into the present.

OVERVIEW OF TÜRKİYE DEVELOPMENT AND INVESTMENT BANK

Overview of Türkiye Development and Investment Bank



Capital Adequacy Ratio

17.98%

CMB Corporate Governance Principles Compliance Rating

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

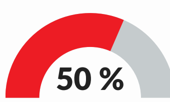
Generated Economic Value

Revenue, which was 7,304,770 thousand TRY in 2023, increased by

53% reaching 11,195,673 TL in 2024.

Distributed Economic Value

The distributed economic value, which was 1,663,767 thousand TRY in 2023, increased by



in 2024, reaching 2,487,548 thousand TRY.

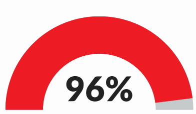
Investment in Entrepreneurship Ecosystem

The Türkiye Development Fund's (TDF) direct investment amount in 2024 increased by

139% compared to 2023, reaching 416 million TRY.

Sustainability-Themed Loan Portfolio

The ratio of sustainability-themed loans to total loan portfolio was 93% in 2023, reaching



in 2024.

Managed Fund Size

Under the TDF umbrella, a total of 5.1 billion TL is managed across 9 funds.

Fund	Size
Technology and Innovation Fund:	475 million TRY
Regional Development Fund:	525 million TRY
TKYB Capital Fund:	430 million TRY
Development Participation Venture Capital Investment Fund:	154 million TRY
Innovative and Advanced Technologies Participation Venture Capital Investment Fund:	611 million TRY
Development METU Technopark Venture Capital Investment Fund:	22,2 million USD
TÜBİTAK Bigg Fund:	9 million USD
TKYB Fund of Funds:	50 milion USD
TÜBİTAK BIGG+ GSYF:	53 million TRY

Overview of Türkiye Development and Investment Bank

Sustainable Project Financing

In 2024, a total of $2.5 billion USD in loans aligned with sustainable development goals was provided, contributing directly or indirectly to 15 out of 17 Sustainable Development Goals.

Employee Count

The number of employees increased to 348 in 2024.

Female Employee Ratio

The proportion of female employees rose from 41% in 2023 to 42.5% in 2024.

Training Programs

- 214 different training topics were offered in 2024
- Average training hours per employee: 35 hours

Occupational Health and Safety Training

A total of 652 hours of OHS training was conducted in 2024.

Youth Employment

Among new hires 26.7% of female employees and 35% of male employees were under 30 years old.

Employee Satisfaction

In 2023, we became Türkiye's first public bank to receive the Great Place to Work (GPTW) Certification, and retained this certification in 2024 based on employee evaluations.

In the Sustainalytics assessment, we were awarded the titles of "ESG Industry Top Rated" and "ESG Regional Top Rated." With a low ESG risk score of 12.4, we achieved a leading position in Türkiye.

Financed Renewable Energy Capacity

We financed 7% of Türkiye's renewable energy capacity, contributing to:

4.2 million tons

of CO_2 emission reduction.

Social Contributions and Corporate Responsibility

ISO 27001 Personal Data and Information Privacy Management System was integrated and certified.

Corporate Governance Rating improved from 9.40 to 9.52.

Awarded "Türkiye's Most Sustainable Bank 2024" by World Finance Magazine.

Commemorating our 50th anniversary, we initiated a Memorial Forest with 5,000 saplings.

Türkiye Development and Investment Bank Operations

99.08%

Capital Share Owned by the Republic of Türkiye Ministry of Treasury and Finance

0.92%

Capital Share Owned by Other Shareholders

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

Our institution, originally established in 1975 as Devlet Sanayi ve İşçi Yatırım Bankası, began operating as Türkiye Kalkınma Bankası A.Ş. in 1988. Following a structural transformation in 2018, it adopted its current name Türkiye Kalkınma ve Yatırım Bankası A.Ş. and relocated its headquarters from Ankara to Istanbul.

The Bank continues its operations within three main business lines: Development Banking, Investment Banking, and Türkiye Kalkınma Fonu (Türkiye Development Fund). All three business lines are structured in alignment with the Bank's sustainable development and financial inclusion objectives.

Supporting financing needs of strategically important industries including manufacturing, energy, tourism, education, healthcare and infrastructure, our Bank plays a crucial role in Türkiye's development goals through new investments, capacity expansion, modernization and sustainable financing solutions backed by strong government support. The Bank also develops financing models for thematic areas such as Green Transformation, Circular Economy and Digitalization.

Through TKF, TKYB makes capital investments in innovative, high-growth potential ventures, contributing to the entrepreneurship ecosystem while continuing to invest in next-generation startups in strategic sectors. The TKF fund portfolio includes technology transfer, deep tech and sustainability-themed ventures, aiming to provide investors with long-term development-focused returns. Through its six sub-funds, TKF continues to provide resources to technology-focused ventures and companies operating in priority development areas.

With its deep-rooted history, robust structure and accumulated experience, the Bank provides financing, equity support, partnership and advisory services to businesses of various scales from startups to industrial establishments and SMEs. These offerings make valuable contributions to Türkiye's economic progress and growth. Financial support processes are integrated with environmental and social risk assessment criteria, ensuring alignment with sustainable development goals. With its competent staff well-versed in international finance principles, the Bank continues to develop unique products and solutions supporting Türkiye's economic transformation and broader capital access initiatives.

TKYB has maintained its focus on supporting sustainable growth since its foundation in 1975, guided by its 2024 vision and the United Nations Sustainable Development Goals (SDGs). In this context, the Bank structures its operations in alignment with Environmental, Social, and Governance (ESG) criteria and integrates these principles into its decision-making processes.

With its stable structure built on strong foundations, the Bank plays a critical role in achieving Türkiye's development goals. In addition to its financial intermediation function, it operates as a development finance institution working in coordination with policymakers. The Bank continues to support the development of the national economy by investing in innovative initiatives in strategic areas, leading the way in broadening capital access, and providing financing for sustainable growth projects.

True to its founding purpose, the Bank has historically partnered in establishing numerous worker-owned companies by providing both financial and advisory support, while also serving as a founding shareholder in several major industrial enterprises. In 1989, by acquiring all assets and liabilities of Turizm Bankası A.Ş., the Bank expanded its financing capabilities to include tourism sector investments alongside industrial projects. Through its long-term financing solutions, the Bank continues to support competitive and efficient production for a stable and robust economy, while contributing to Türkiye's employment growth, income levels, and overall prosperity.

Following legal reforms enacted in 2018, the institution was restructured as Türkiye Kalkınma ve Yatırım Bankası (TKYB), adopting a new corporate framework and strategic roadmap. Strengthening its management team with private sector expertise, the Bank now combines its development banking mission with investment banking vision, leveraging its sound financial structure and specialized personnel to create future value.

Our Bank, while redefining its corporate culture in line with the principles of integrity, reliability, innovation, and transparency it has adopted, continues to resolutely pursue its activities to support our country's economic transformation, contribute to broader capital distribution, and promote sustainable development financing in alignment with development strategies. In this context, it prioritizes the allocation of financial resources to sectors with high environmental and social impact and internalizes environmental, social, and governance (ESG) standards.

Our Pioneering Steps and Achievements from Past to Present

Our Firsts

With over half a century of development banking experience, TKYB has made strategic contributions to Türkiye's economy while continuing to shape the sector by implementing numerous pioneering initiatives. Since its establishment, our Bank has gone beyond being merely a financing institution by developing development-oriented and principled financing models. Today, in addition to providing financing, it stands out through its pioneering practices in sustainability, social impact, technical support, and corporate transformation. In this context, the Bank's sustainability-focused policies have become one of the reference practices in Türkiye's financial sector.

Here are some of the significant firsts that TKYB has introduced to the sector:

- The first and only Turkish financial institution to sign the Equator Principles.
- The first financial institution in Türkiye to publish a Green Human Resources Policy.
- The first public bank to earn the Great Place to Work Certification.
- The first bank certified as a "Climate-Friendly Organization" by TSE.
- The first public bank to obtain ISO 14001 Environmental Management System certification.
- The first Turkish bank included in the European Investment Fund (EIF) National Promotional Banks Network.
- The first bank to conduct an IPO in Türkiye's capital markets.
- The first to issue Asset-Backed Securities (ABS) in Türkiye.
- The first bank to issue Türkiye's inaugural mortgage-backed Asset-Backed Securities (ABS) through its Asset Financing Fund.
- The first bank to issue Türkiye's debut social sukuk and amortization sukuk.
- The first to intermediate Türkiye's low-carbon economy bond issuance.
- Türkiye's first bank to issue wheat price-indexed sukuk (global first).
- The first and only Turkish bank supporting geothermal drilling projects under World Bank's Risk Sharing Mechanism.
- First Turkish financial institution to channel Islamic Development Bank funds to SMEs.
- First Turkish bank providing both financial and technical support to companies.
- First bank to pioneer incentive loan implementations.
- First bank supporting cluster-based development programs.
- The only bank providing financial and technical support to tourism sector.
- First public bank joining PCAF (Partnership for Carbon Accounting Financials)
- First Turkish bank member of Social Value Türkiye Association.
- The only bank conducting detailed Gender Analysis and OECD DAC scoring for all financed projects.

Our Awards

2 February 2024 - Global Finance Sustainable Finance Awards

Outstanding Leadership in Sustainable Finance by a Multilateral Institution in Central & Eastern Europe Award

Our Bank was honored with an award for outstanding leadership in sustainable finance as a multilateral institution in the Central and Eastern Europe region, as part of the Global Finance Sustainable Finance Awards 2024. This award reflects our Bank's strategic governance approach in the field of sustainability as a multilateral development bank. This prestigious recognition stands as international acknowledgment of the financing we have provided for sustainable projects in our region, the innovative financial solutions we have developed, and our contributions to the sustainable development of Central and Eastern Europe. In particular, our efforts in combating climate change, supporting green transformation investments, and reducing environmental risks form the foundation of this achievement. Our Bank will continue to contribute to a sustainable future by strengthening its regional leadership and international collaborations.

18 March 2024 - International Finance Banking Awards

Best Regional Development Bank Award

Our recognition as the 'Best Regional Development Bank' by the International Finance Banking Awards 2024 demonstrates our strategic approach to regional development and the positive impact of our financed projects on regional economies and social progress. Key factors in this award include our long-term financing solutions for priority development sectors such as infrastructure investments in underdeveloped regions, SME support programs, and agriculture. Our Bank remains committed to developing solutions responsive to regional needs, building strong collaborations with local stakeholders, and supporting sustainable regional development. This award also highlights the international recognition of our contributions to reducing regional inequalities and promoting inclusive growth.

26 April 2024 – Great Place to Work Türkiye

Türkiye's Best Employer

We are deeply honored to be selected as 'Türkiye's Best Employer' by Great Place to Work Türkiye in 2024. This award validates our safe, healthy, and supportive work environment, our people-centric policies, and our sustained high employee satisfaction. Our participatory management approach, flexible work practices, and talent management processes focused on employee development have been instrumental in this achievement. We will continue to uphold our positive workplace culture, built on the valuable contributions of our employees, always prioritizing a 'people-first' philosophy.

27 May 2024 GBO Awards

Most Innovative Sukuk Structures Award

Winning the 'Most Innovative Sukuk Structures' award at the GBO Awards 2024 demonstrates that our pioneering and innovative approach in the sukuk field has been recognized internationally. The unique sukuk structures we have developed stand out for the advantages they offer to investors and their contributions to the development of the Islamic finance market. Furthermore, this achievement underlines the Bank's capability to develop capital market products aligned with sustainable finance principles. Our Bank will continue to create value for its stakeholders by leveraging its expertise and creativity in the field of Islamic finance.

27 May 2024 - International Finance Banking Awards

Most Innovative Sukuk Structures Award:

Being awarded the 'Most Innovative Sukuk Structures' prize once again by the International Finance Banking Awards 2024 reaffirms our continuous advancement and innovative approach in this field. Winning this award consecutively demonstrates the sustainability of our expertise in sukuk and the value-added solutions we bring to the market. Our Bank will continue to contribute to the growth and diversification of Islamic finance markets.

28 May 2024 – Great Place to Work

Türkiye - Social Responsibility and Volunteerism Award

We take pride in winning the 'Social Responsibility and Volunteerism' award at the Great Place to Work Türkiye 2024 assessment, recognizing our emphasis on social responsibility projects and the active participation of our employees in volunteer activities. This award is not only a reflection of our corporate culture but also a testament to how our Bank's capacity to create social impact is strengthened by employee engagement. It results from our comprehensive social responsibility initiatives and the high rate of voluntary participation by our staff. Our Bank will continue to add value to society through its ingrained culture of social responsibility and work toward a sustainable future. Innovative practices such as internal volunteer platforms and employee impact reporting support the institutionalization of this approach.

Our Awards

23 June 2024 – World Finance Banking Awards

Most Sustainable Bank in Türkiye:

We are honored to have been named "Türkiye's Most Sustainable Bank" by the World Finance Banking Awards 2024. This award is a testament to the international recognition of our holistic approach and steadfast efforts across environmental, social, and economic sustainability.

Our Bank remains committed to placing sustainability strategies at the core of its business model, reducing environmental impact, expanding social responsibility initiatives, and advancing sustainable finance practices.

17 July 2024 - cfi.co Awards

Green Finance Innovator Türkiye 2024:

Being awarded the title of "Türkiye's Green Finance Innovator 2024" by the CFI.co Awards 2024 is a clear reflection of our innovative solutions in green finance, the environmentally friendly projects we have financed, and our leadership in this field.

Our Bank will continue to develop green financing products, support environmentally focused projects, and contribute to Türkiye's green transformation for a sustainable future.

6 August 2024 – Stevie Awards

Bronze Winner - CHRO of The Year:

Winning the Bronze award in the "CHRO of the Year" category at the Stevie Awards 2024 is a significant recognition of our Deputy General Manager of Human Resources' (CHRO) visionary leadership in the HR field and our Bank's employee-centered approach. This esteemed award highlights our CHRO's successful strategies, efforts to enhance employee engagement, and valuable contributions to the overall success of our Bank.

6 August 2024 – Stevie Awards

Gold Winner - Human Resources Team of The Year:

Winning the Gold award in the "HR Team of the Year" category at the Stevie Awards 2024 is a testament to the outstanding performance, collaboration, and the critical role our Human Resources team plays in achieving the strategic goals of our Bank. This meaningful recognition highlights the innovative projects implemented by our HR team, their strong commitment to teamwork, and the excellence demonstrated in our Bank's human resources practices.

26 August 2024 Brandon Hall HCM Excellence Awards

Best Team Development Program - Silver Winner:

Winning the Silver award in the "Best Team Development Program" category at the 2024 Brandon Hall HCM Excellence Awards with our Micro MBA certificate program is a strong indicator of the program's effectiveness in enhancing our employees' teamwork and leadership competencies.

The content and methodology of our training and development program, along with its positive impact on team performance, have been recognized and validated through this prestigious award.

26 August 2024 Brandon Hall HCM Excellence Awards

Best Team Development Program - Bronze Winner:

Winning the Bronze award with our Micro MBA certification program in the 'Best Team Development Program' category at the 2024 Brandon Hall HCM Excellence Awards is an indication of the effectiveness of the certification program we have implemented.

The content, methodology, and positive impact of our training development program on our employees' team performance have been validated with this award.

26 August 2024 Brandon Hall HCM Excellence Awards

Best Advance in Selecting and Onboarding Interns - Bronze Winner:

Winning the Bronze award with our Investment in the Future Internship and Management Trainee Program in the 'Best Progress in Intern Selection and Onboarding Processes' category at the 2024 Brandon Hall HCM Excellence Awards is a testament to our strategy of investing in future talents and the success of our internship program. The comprehensive program we offer to our interns, our innovative selection methods, and our effective onboarding process have been recognized with this valuable award.

Our Awards

11 October 2024 - Globee Awards Leadership
Gold Winner - Transformation of The Year:

Our CEO's Gold Award in the 'Transformation of The Year' category at the Globee Awards Leadership 2024 recognizes both the success of our Bank's significant transformation process and its positive impact on our overall performance, as well as our CEO's outstanding leadership in managing this transition. The strategic steps taken and tangible results achieved continue to strengthen our Bank's future vision and competitive positioning.

11 October 2024 - Globee Awards Leadership
Silver Winner - CEO of The Year:

Our CEO's Silver Award in the 'CEO of The Year' category at the Globee Awards 2024 demonstrates their exceptional leadership qualities, strategic vision, and pivotal role in our Bank's success. Our CEO's management approach and effective stakeholder engagement remain instrumental in achieving our institutional objectives.

11 October 2024 - Globee Awards Leadership
Gold Winner - Human Resources Management Leadership:

Our CHRO's Gold Award in the 'Human Resources Management Leadership' category at the Globee Awards 2024 reflects international recognition of our innovative HR practices and affirms our CHRO's impactful leadership. This prestigious honor celebrates our commitment to employee development, effective HR strategies, and pioneering approaches in human capital management.

2024 – Sustainalytics
To be included in the Most Admired ÇSY Companies List in the 'ÇSY Industry Top Rated' and 'ÇSY Regional Top Rated' categories and to be among the 50 banks entitled to receive these titles

Being ranked among the top positions both in our sector and region in the list of ‘Most Admired ESG Companies’ by the internationally respected ESG (Environmental, Social, and Corporate Governance) rating agency Sustainalytics, and being one of the 50 banks awarded this title, is a significant indicator of our committed efforts and transparency principle in the ESG field.
Our bank has achieved this success through its performance in reducing environmental impacts, social inclusion projects, and institutionalizing effective governance structures.
Our bank will continue to act with the vision of effectively managing environmental and social risks, adhering to strong corporate governance principles, and creating value for a sustainable future.

Overview of Türkiye Development and Investment Bank

Vision, Mission and Core Values

Vision

To be the leading bank in sustainable development

Mission

We create value for all our stakeholders through a dynamic, innovative, and environmentally and socially conscious banking approach aligned with our country's sustainable development priorities.

Core Values

Responsible Banking

We act responsibly toward our world, environment, and society within the framework of Sustainable Development Principles and Responsible Banking. We maintain constant awareness of our social responsibilities and utilize our resources efficiently.

Solution-Oriented Approach

We place our customers at the center of all our activities and design the future together with effective solutions that create value.

Reliability

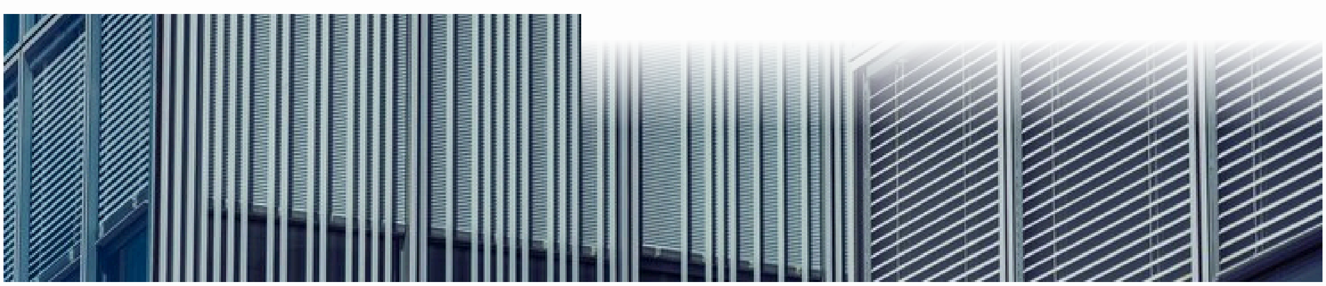
We establish long-term relationships with all stakeholders based on transparency, ethical principles, and trust. Our decisions are grounded in objective criteria.

Delivering Value to Stakeholders

We adopt a comprehensive and participatory management approach, working with our dynamic, innovative, and environmentally and socially conscious banking philosophy to create value for all our stakeholders.

Innovation

With our innovative solutions, we lead positive change and add value not only to today but also to tomorrow.



Our History

Establishment

The foundations of Türkiye Development and Investment Bank, which plays a crucial role in achieving Türkiye's development goals with its deep-rooted history and robust structure, were laid with the establishment of Devlet Sanayi ve İşçi Yatırım Bankası (DESİYAB) A.Ş. This entity was created under Decree Law No. 13 dated November 27, 1975, within the framework of Authorization Law No. 1877, as a development and investment bank with legal personality in joint-stock company status subject to private law provisions, to conduct all activities required by investment and development banking, including equity-based capital financing.

The 1970s

Türkiye Development and Investment Bank became the first financial institution to support worker-owned companies and provide foreign financing.

The Bank assumed a pioneering role in the sector by participating in heavy industry establishments such as TAKSAN, TÜMOSAN, TEMSAN, and TESTAŞ.

The 1980s

Provided technical services under the State Planning Organization's (DPT) aid program for Africa.

Financed and restructured worker-owned companies through Credit Special Fund II (KÖF).

Played an active role in implementing infrastructure investments in the tourism sector and contributed to the sector's development by financing tourism facilities.

In 1988, the Bank's title was changed to Türkiye Development Bank Inc., gaining authority to finance sectors beyond industry. In 1989, T.C. Turizm Bankası A.Ş. was fully transferred to Türkiye Development Bank with all its assets and liabilities.

The 1990s

Türkiye Development and Investment Bank became the first financial institution to support worker-owned companies and provide foreign financing.

Through the "Project for Bringing Half-Completed Investments and Enterprises with Working Capital Deficiencies into the Economy," approximately $100 million USD was financed to 525 companies, facilitating about 9,000 additional employments.

In 1999, Law No. 4456 regarding the establishment of Türkiye Development Bank was accepted, further strengthening the Bank's legal structure.

The 2000s

Wholesale Banking (APEX) channel enabled financing for non-joint stock company investments and small-scale enterprises.

Became a partner in the Turkish Investment Initiative (TII), led by the European Investment Fund (EIF) established through the partnership of European Investment Bank and European Commission.

The 2010s

The Bank was restructured as a Development and Investment Bank. The Law No. 7147 concerning the Bank was published in the Official Gazette No. 30575 dated October 24, 2018, and its title was changed to Türkiye Development and Investment Bank Inc.

Through the establishment of Türkiye Development and Investment Bank Inc. Asset Financing Fund, 3.15 billion TL worth of Asset-Backed Securities (ABS) were issued.

With the establishment of the Second Asset Financing Fund, 1 billion TL worth of Asset-Backed Securities (ABS) were issued.

During the restructuring process, the Headquarters was relocated to Istanbul, and innovative products and services began to be offered in Istanbul.

Türkiye Development Fund (TKF) was established.
Became a founding signatory of the UNEP FI Principles for Responsible Banking.

Memberships were established with national and international organizations and platforms in the field of sustainability.

Our History

The 2010s

The Bank became the first public bank to implement the ISO 14001 Environmental Management System, marking a significant milestone.

With the Environmental Management System, necessary steps were taken to identify and reduce negative environmental impacts, use resources more efficiently, and regularly monitor environmental performance. Additionally, by 2010, the Bank's total assets had exceeded USD 1 billion.

The Development and Investment Bank of Türkiye secured record levels of long-term funding, obtaining approximately USD 840 million in long-term resources from five different international financial institutions.

In 2014, the Bank's financial support for national development projects surpassed TRY 3 billion.

In 2015, the Bank's 2015-2019 Strategic Plan was approved.

In 2016, the Bank decided to increase its issued capital to TRY 500 million. This move further strengthened the Bank's leading position in the financial sector. At the same time, the Bank made significant progress in its reporting activities under the CDP Climate Change Program.

The Bank also took important steps in environmental sustainability, meeting the "Climate-Friendly Organization" criteria set by the Turkish Standards Institute and becoming the first bank to receive the "Climate-Friendly Organization" certificate.

Through new initiatives, the Bank expanded its global cooperation network and reinforced its leadership in the financial sector with the Carbon Disclosure Project (CDP) report.

The same year, the utilization of the EUR 100 million APEX loan provided by the Council of Europe Development Bank (CEB) began and was completed in 2019.

The USD 200 million financing obtained from the Islamic Development Bank was fully utilized by the end of 2020.

2020

Under TKF, the Technology and Innovation Fund and the Regional Development Fund officially commenced operations.

Investments were made in Birleşik İpotek Finansmanı A.Ş. (United Mortgage Finance Inc.) and JCR Avrasya Derecelendirme A.Ş. (JCR Eurasia Rating Inc.).

The Bank expanded its operations in investment and portfolio management through its wholly-owned subsidiaries, Kalkınma Yatırım Varlık Kiralama A.Ş. (Development Investment Leasing Inc.) and Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. (Development Venture Capital Portfolio Management Inc.).

The Bank published its first sustainability report, solidifying its commitments in this field.

Under the Registered Employment Generation Project with the World Bank, a financing agreement was signed on June 1, 2020, comprising a €316 million loan (APEX Lending + Direct Lending) and an €80 million grant. Under this program, technical support was provided to enhance the capacity of TKYB, AFK, and beneficiary firms.

On September 9, 2020, a $250 million APEX loan agreement was signed with the World Bank under the Emergency Firm Support Project.

On August 17, 2020, as part of efforts to meet the liquidity needs of firms adversely affected by the COVID-19 pandemic, a $300 million loan agreement was signed with the AIIB, of which $30 million (the APEX component) was disbursed through AFK.

In January 2020, the Bank's Environmental and Social Policy came into effect following Board approval. That same year, in June, the Bank began implementing its Sustainability Principles, and its Climate Change Mitigation and Adaptation Policy entered into force.

Under the Türkiye Development Fund, the Technology and Innovation Fund and the Regional Development Fund were established. The Bank provided advisory services for the establishment and licensing of "Türkiye Menkul Kıymetleştirme Şirketi" (Türkiye Securitization Company), which is expected to play a key role in the securitization sector. Additionally, the Bank reinforced its expertise by acting as the exclusive financial advisor in the issuance of a TRY 42 million amortizing sukuk (al-Wakala) to meet the working capital needs of Tarkim Bitki Koruma A.Ş. (Tarkim Plant Protection Inc.).

Our History

2021

The Bank acted as the funding provider for Türkiye's first social sukuk issuance worth 50 million TL.

Our Bank became the first and only institution in Türkiye to sign the Impact Management Working Principles led by the International Finance Corporation (IFC).

Development Venture Capital Portfolio Management Inc. established the Innovative and Advanced Technologies Venture Capital Investment Fund, Development Participation Venture Capital Investment Fund, and TKYB Capital Fund (established by the Bank).

tTürkiye's first low-carbon economy transition bond was issued.

Palgaz Natural Gas Distribution Inc. completed Türkiye's first low-carbon transition bond issuance worth 200 million TL, which won the "Best Green Project Financing Bank" award at the 2022 International Finance Awards.

TKYB received a B score in CDP's Climate Change Program, achieving the highest score in Türkiye's financial sector in 2021.

The Bank published its first Integrated Report in 2021.

The Bank executed its first sustainable bond issuance.

2022

Türkiye Development and Investment Bank has diversified its funding sources and contributed to Türkiye's sustainable growth by adding a new sustainable foreign resource, successfully issuing its first 100 million euro sustainable Eurobond. This 11-year maturity issuance, financed by the French Development Agency (AFD), allocates at least 75% of funds to green projects supporting climate change mitigation in Türkiye, with the remainder directed to social projects.

The Bank became the first public bank to earn the Great Place to Work certification based on employee evaluations conducted by Great Place to Work.

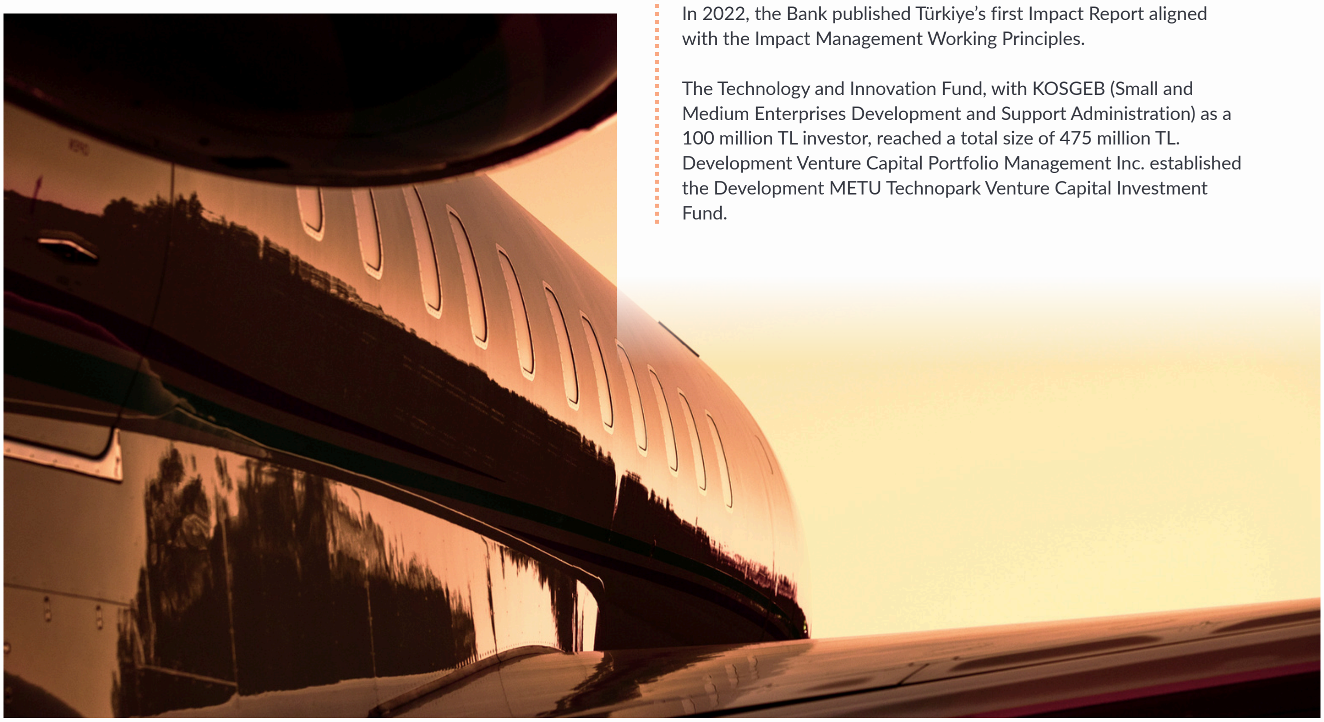
The Bank completed its first corporate governance rating study, achieving a high score of 9.32 out of 10. This result places the Bank in the first group according to the World Corporate Governance Index.

In the environmental, social, and governance (ESG) risk assessment conducted by international sustainability rating agency Sustainalytics, the Bank achieved an 11.0 risk score, positioning it among Türkiye's leading institutions and contributing to the country's high international rankings.

As part of its Integrated Management System efforts, the bank has obtained ISO 45001 Occupational Health and Safety Management System, ISO 9001 Quality Management System, and ISO 10002 Customer Satisfaction Management System certifications. Additionally, the bank has achieved compliance with ISO/IEC 27001 Information Security Management System and ISO 27701 Privacy Information Management System standards, securing these certifications as well.

In 2022, the Bank published Türkiye's first Impact Report aligned with the Impact Management Working Principles.

The Technology and Innovation Fund, with KOSGEB (Small and Medium Enterprises Development and Support Administration) as a 100 million TL investor, reached a total size of 475 million TL. Development Venture Capital Portfolio Management Inc. established the Development METU Technopark Venture Capital Investment Fund.



Our History

2022

The Bank facilitated Türkiye's first low-carbon economy transition bond issuance, which was awarded "Best Green Project Financing Bank" by the International Finance Awards in 2022.
Within the same year, under the protocol signed with the İSEDAK Coordination Office, the bank managed a total of 24 projects. Of these, 2 projects were cancelled, 16 were completed, and 6 projects continued in the financial reporting and payment process.

In 2022, a total payment of 15,649,212.64 TRY was received under İSEDAK, of which 12,643,154.38 TRY was transferred for the projects.

The Ministry of Industry and Technology of the Republic of Türkiye and KOSGEB participated as investors in TKYB's sub-funds - the Regional Development Fund and Technology and Innovation Fund - establishing strategic collaborations. In 2022, with additional commitments provided by KOSGEB, the Technology and Innovation Fund reached a size of 475 million TL.

The Bank received an award in the "Outstanding Sustainable Project Financing" category at The Global Sustainable Finance Awards organized by the European Organisation for Sustainable Development (EOSD).

In 2022, the bank publicly announced its Sustainable Finance Framework. This framework is aligned with the International Capital Market Association (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.

2023

A "Climate Finance" loan agreement amounting to 100 million euros and a grant agreement of 10 million euros were signed with the German Development Bank (Kreditanstalt für Wiederaufbau - KfW).

A loan agreement of 5 million euros was signed with the Black Sea Trade and Development Bank to finance SMEs in the earthquake-affected region.

A "Green 4" loan agreement worth 200 million USD was signed with the Japan Bank for International Cooperation (JBIC) to be used in renewable energy and energy efficiency projects.

A financing agreement of 100 million USD was signed with the Islamic Development Bank for investments in food security, along with a preliminary agreement for a 100 million USD financing agreement with the International Islamic Trade Finance Corporation (ITFC).

Following analyses and employee evaluations conducted by Great Place to Work, the bank was included in the "Best Employers in Türkiye 2023 List," earning the title of "Türkiye's Best Employer."
The bank also ranked 1st in the 250–499 employee category on the Great Place to Work - Best Workplaces for Innovation By All 2023 list.

Türkiye Development and Investment Bank became the first bank in the Turkish financial sector to publish a Green Human Resources Policy.

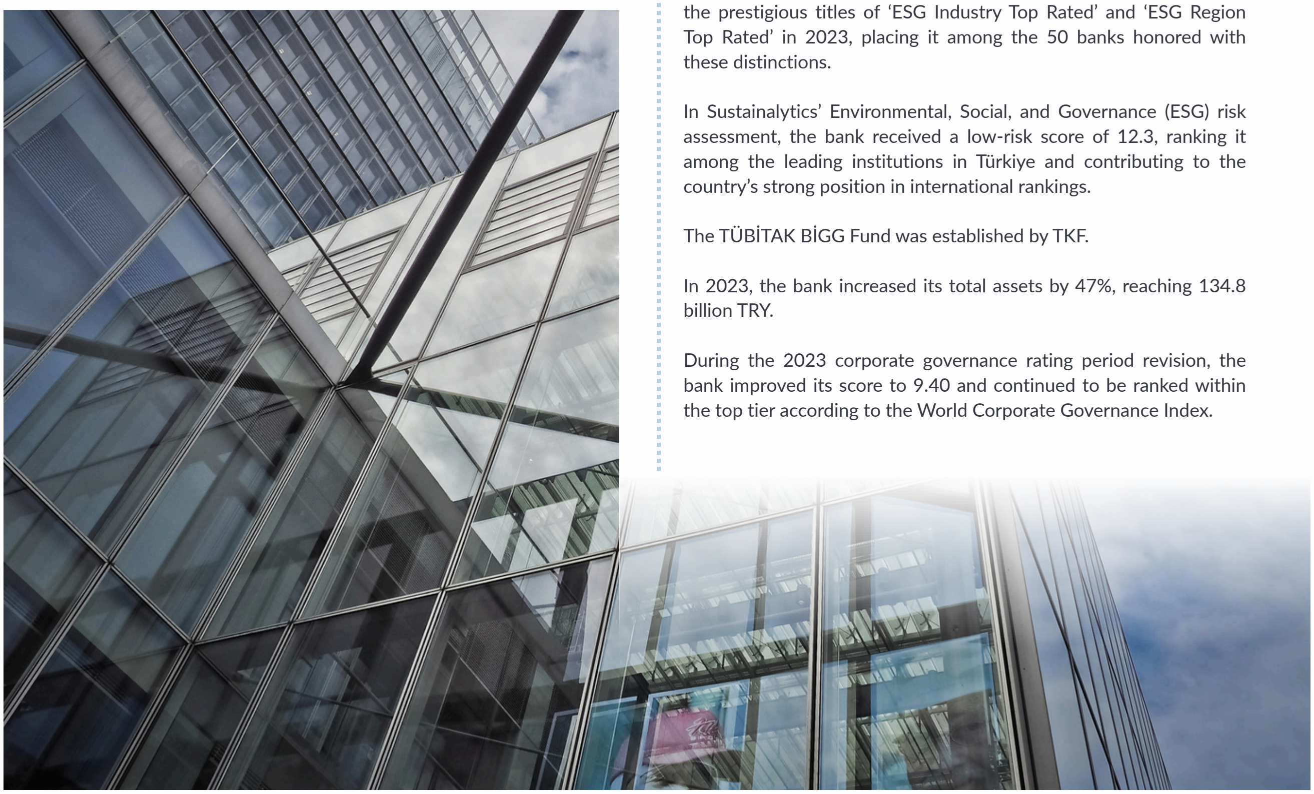
As a result of the evaluation by Sustainalytics, the bank was awarded the prestigious titles of 'ESG Industry Top Rated' and 'ESG Region Top Rated' in 2023, placing it among the 50 banks honored with these distinctions.

In Sustainalytics' Environmental, Social, and Governance (ESG) risk assessment, the bank received a low-risk score of 12.3, ranking it among the leading institutions in Türkiye and contributing to the country's strong position in international rankings.

The TÜBİTAK BİGG Fund was established by TKF.

In 2023, the bank increased its total assets by 47%, reaching 134.8 billion TRY.

During the 2023 corporate governance rating period revision, the bank improved its score to 9.40 and continued to be ranked within the top tier according to the World Corporate Governance Index.



Our History

2024

A $50 million USD loan agreement was signed with the OPEC Fund to finance investment and working capital needs of businesses affected by earthquakes, primarily in the agriculture and food production sectors.

A €200 million and $200 million USD loan agreement was signed with the World Bank to support carbon emission reduction projects in Türkiye's industrial sector.

Agreements totaling €300 million for distributed solar energy projects and $15 million USD for battery energy storage systems were signed to support renewable energy development in Türkiye.

On August 7, 2024, a 100 million USD agreement was signed with the International Islamic Trade Finance Corporation (ITFC) to collaborate on trade financing under the theme of food security. This agreement marks 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 to support Türkiye's net-zero carbon target, represents the Development and Investment Bank of Türkiye's first direct thematic financing for this purpose.

The agreement signed with the World Bank to support distributed solar energy projects in Türkiye is recorded as the World Bank's first operation under the Europe and Central Asia Renewable Energy Scaling (ECARES) initiative.

The agreement with the OPEC Fund to support Türkiye's agriculture and food sectors is a first both for the Development and Investment Bank of Türkiye and, after many years, for Türkiye.

As a result of Sustainalytics' evaluation, the bank was awarded the prestigious titles of "ESG Industry Top Rated" and "ESG Regional Top Rated" in 2024, placing it among the 50 banks honored with these distinctions.

The Bank has reinforced its position among Türkiye's leading institutions with a low ESG risk score of 12.4 in Sustainalytics' ESG risk assessment, while contributing to the country's successful international representation.

Through its successful ESG initiatives, the Bank has been awarded the "IJGlobal ESG Development Finance Institution - Europe" prize, once again demonstrating its leadership in sustainable development financing and its commitment to supporting the growth of the real sector.

The bank was awarded Türkiye's Most Sustainable Bank by World Finance Magazine in 2024.
The bank earned the Great Place to Work Certification for the year 2024.

The bank earned the title of "Türkiye's Best Employer" by being included in the "Best Employers in Türkiye 2024 List" due to its success in employee experience.

The bank also secured a place on the Great Place to Work Social Responsibility and Volunteering 2024 Best Employers list.
In 2024, training was conducted on 214 different topics, with an average of 35 training hours per employee.
In 2024, the ISO 27701 Privacy Information Management System was integrated into the Integrated Management System, and the certification process was completed.

As a result of improvement efforts throughout the year, the Development and Investment Bank of Türkiye's Corporate Governance Rating Score increased from 9.40 in 2023 to 9.52 as of April 15, 2024.

The Türkiye Development Fund (TKF) Sub-Fund was established as an Upper Fund within the Development and Investment Bank of Türkiye (TKYB) with a commitment of 35 million USD from the Republic of Türkiye Ministry of Treasury and Finance and 15 million USD from the bank, creating a significant collaboration to channel funds into the entrepreneurship ecosystem.

In cooperation with TÜBİTAK, the TÜBİTAK BiGG+ Venture Capital Investment Fund (GSYF) was established, open to participation by external investors as well as TÜBİTAK, with an initial closing size of 53 million TRY.
The world's first sukuk issuance indexed to the price of wheat was completed.

Türkiye Development and Investment Bank Operations

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

Within the scope of its investment banking activities, our bank provides financial advisory services for significant projects, consultancy through capital markets, and merger and acquisition advisory services. These efforts aim to support Türkiye's economic growth targets and accelerate the country's sustainable development.

The core activity areas and strategic objectives of TKYB are summarized under three main headings: Development Banking, Investment Banking, and the Türkiye Development Fund (TKF). These three pillars operate in an integrated manner, complementing and reinforcing the bank's development goals.

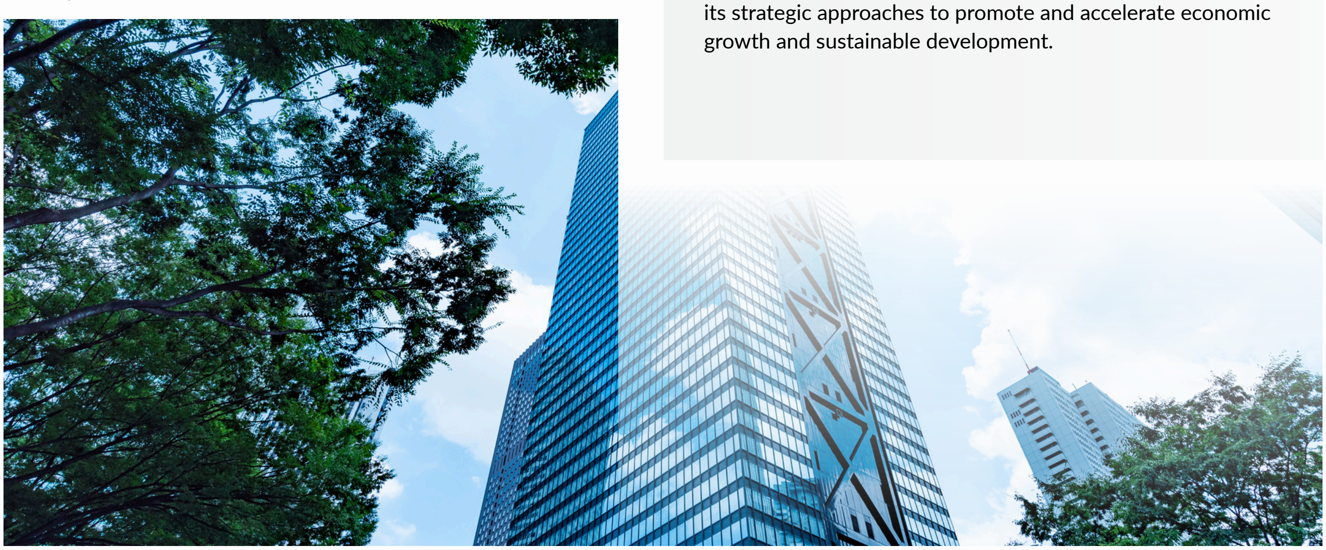
Each of these core activities offers different methods and solutions to support and accelerate Türkiye's economic growth and sustainable development. While conducting these activities, the bank systematically evaluates environmental and social impact analyses, ensuring impact-based investment decisions are made. Additionally, through project financing and corporate loans, the bank supports critical sectors of our country (such as manufacturing, renewable energy, education, health, and others), thereby making significant contributions to economic growth, social development, and environmentally conscious development.

Development Banking

Türkiye Development and Investment Bank (TKYB) has established key priorities within its Development Banking activities to support Türkiye's sustainable development goals by shaping and delivering tailored financial products and services. The Bank's core focus areas include:

- Diversify financing products for priority sectors identified in development plans and programs—those with high import dependency, contributing to trade deficits, yet having significant employment potential and foreign exchange earnings.
- Contribute to Türkiye's sustainable growth by stimulating and revitalizing investments through project-specific loans tailored to feasibility and cash flow, alongside investment banking products that provide financing through the most suitable instruments.
- Support projects aligned with Sustainable Development Goals, including transitioning to a low-carbon economy, combating climate change, promoting responsible production-consumption, eradicating poverty, protecting our planet, and similar objectives.

TKYB develops financial products and services to support Türkiye's sustainable development goals, aligning its operations accordingly. The Bank's strategic objectives are determined based on annually reviewed financial projections, which are prepared in line with the vision, mission, and values forming the foundation of the Bank's Strategic Plan and submitted to the Board of Directors for approval. The 2024 budget and 2024-2025 financial projections encompass the Bank's strategic objectives in development banking, reflecting its strategic approaches to promote and accelerate economic growth and sustainable development.



Objectives for Strengthening the Funding Structure

Türkiye Development and Investment Bank (TDIB) sets forth specific objectives to strengthen its funding structure within the scope of development banking. These objectives include:

- To establish a strong and diversified funding structure that supports sustainable asset growth
- To increase funding inflows to the Bank from development finance institutions and similar creditors

These strategic objectives aim to enhance TKYB's capacity to develop financing models that directly contribute—both technically and financially—to economic growth and sustainable development within the scope of development banking. In this context, the Bank positions itself not only as a lender but also as a development partner that provides technical guidance to investors in areas such as project preparation, analysis, and structuring.

Accordingly, the Bank supports the financial sustainability of projects and facilitates the transition to a low-carbon economy by offering sector-specific loan structures and innovative financial instruments tailored to the needs of various industries. Moreover, the Bank's financing strategies, which are based on sectoral analyses, enable the implementation 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 achieving Türkiye's long-term economic goals.

Investment Banking – Capital Markets Advisory

Our Capital Markets Advisory Unit continues to support projects related to initial public offerings (IPOs), sukuk issuances, and other debt instruments for our clients across various sectors.

As part of our investment banking activities, we offer capital markets advisory, mergers and acquisitions (M&A) advisory, and financial consultancy services. These services aim to strengthen the capital structure of companies, ensure access to long-term funding, and develop financing solutions aligned with their growth objectives.

As part of our Capital Markets Advisory activities, we guide companies in the issuance of equity securities, debt instruments, lease certificates (sukuk), and other capital market instruments, facilitating their access to additional financing. These issuances not only contribute to companies' institutionalization and transparency processes but also enhance their visibility in the capital markets, thereby enabling easier access to a broader range of financing options.

Within the scope of debt-based alternative financing methods, we provide comprehensive advisory services throughout all stages of commonly used bond and bill issuances, as well as the rapidly increasing lease certificate (sukuk) issuances in the Turkish capital markets. These services cover the entire process—from decision-making and coordination to managing sub-advisors, submitting applications to regulatory authorities, monitoring marketing and sales activities, and completing the issuance.

In 2024, in line with our Bank's goal of more efficient utilization of capital market instruments to channel greater resources to the real economy and money markets;

3.8 billion TRY

Acted as intermediary institution in the public offering of shares for **Oba Machinery Industry and Trade Inc.**, valued at 3.8 billion TRY.

200 million TRY

Provided advisory services for the sukuk issuance totaling 200 million TRY (including a 30 million TRY wheat price-indexed sukuk tranche) where **Tarfin Agriculture Inc.** was the fund user.

500 million TRY

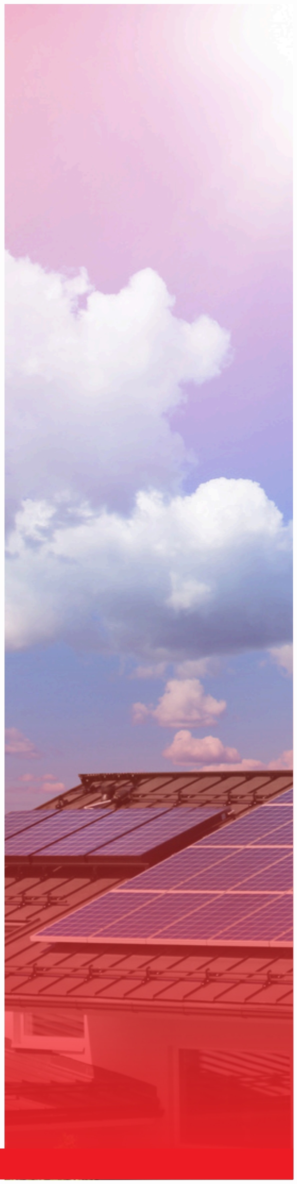
Provided advisory services for the 500 million TRY sukuk issuance of **Carrefoursa Carrefour Sabancı Trade Center Inc.**

Investment Banking – Mergers and Acquisitions Advisory

Within the scope of our Mergers and Acquisitions Advisory services, in 2024 we continued our efforts to add value in the field of mergers and acquisitions advisory for public institutions and private sector companies operating across various sectors, regardless of their size, while maintaining our position among leading Investment Banks. In this context, we provide financial advisory services not only to our private sector clients but also for the sale or privatization processes of companies and assets within the portfolio of the Republic of Türkiye Ministry of Treasury and Finance and the Presidency of the Privatization Administration ("Privatization Administration").

2024 During this year, our work continued under two separate privatization projects conducted by the Privatization Administration. Our preparatory work for the privatization of Tekirdağ Çeşmeli Port, owned by Türkiye Denizcilik İşletmeleri A.Ş. (TDI) – one of two consultancy tenders announced by the Privatization Administration in 2020 – has progressed. Additionally, financial advisory services were provided for the privatization process of Fenerbahçe-Kalamış Marina, and its tender was successfully completed.

Regarding the other project managed by the Privatization Administration, where our Bank serves as an advisor – the privatization of 13 power plants owned by Elektrik Üretim A.Ş. – work has been carried out for the tenders of 6 power plants. The tenders for two power plants have been concluded, three tenders were canceled, and one tender has been postponed to the first quarter of 2025. In this context, work continues with the Privatization Administration to bring two additional power plants to tender in the second half of 2025.



As a bank, we provided sell-side financial advisory services to a startup developing green products from organic waste in its pursuit of funding for growth objectives, thereby continuing our support for sustainable development.

Similarly, we are serving as financial advisor to another company that contributes to Türkiye’s circular economy goals by preventing electronic waste generation, assisting in its search for financial resources to expand operations. Additionally, we provide financial advisory services to two companies aiming to scale their operations supporting circular/shared economy principles and carbon emission reduction, enabling them to enhance their presence both in Türkiye and Europe. In line with our country's sustainability objectives, we continue to conduct impact investment projects, pioneering innovative applications in this field in Türkiye.

For a total of five different projects, feasibility reports were prepared under project-based government support programs. We provided a feasibility report and advisory services for a major foreign investor's approximately $1 billion investment in Türkiye under project-based government incentives. For a domestic food company, we conducted detailed sectoral analysis and financial feasibility studies for its market entry strategy into frozen bakery products. Furthermore, we delivered financial advisory services including structural recommendations and strategic roadmaps from an investment banking perspective to a corporate group operating across various sectors. Our bank will continue providing financial advisory services in 2025 for sectoral analysis of new investments, strategic planning preparation, financial feasibility studies, and business valuations aligned with our clients' growth strategies.

In 2024, our work continued on the privatization of selected power plants and ports under two separate privatization projects conducted by the Privatization Administration.

Strategic Objectives for Investment Banking

Elevating **Türkiye’s capital markets** to international standards and supporting foreign capital inflow into our country

Delivering all investment banking services at **international standards**

Providing restructuring advisory services for companies facing **financial constraints**

Supporting sound investment decisions through **financial feasibility advisory** services

Participating in investment banking projects that attract **foreign direct investment** to Türkiye.

Developing **alternative financing sources** to meet companies' funding needs

Creating **innovative capital market products** based on market conditions and suitability of collaborating sales intermediaries

Türkiye Development Fund

TKYB adds value to the national economy by investing in sectors aligned with Türkiye's development goals through funds and by supporting the venture capital ecosystem.

One of our Bank's key strategic objectives in development banking is to develop diverse financing products for priority sectors identified in national development plans - those with high import dependency, contributing to trade deficits, yet possessing significant employment generation potential and foreign exchange earning capacity.

Direct investment amount made by Türkiye Development Fund in the entrepreneurship ecosystem in 2024 reached;

416
million TRY

Assets Under Management: 5.1 Billion TL

Through a total of 9 funds under TKF

5.1
billion TRY
of resources are being effectively managed.

TKF Strategic Objectives

Objective 1

Supporting sectors of strategic importance for Türkiye's sustainable growth through sub-funds while playing a key role in developing the entrepreneurial ecosystem by investing in next-generation ventures

Objective 2

Implementing initiatives to transform public resources into capital investments focused on national development

The Development and Investment Bank aims to support national development through investments made via TKF-managed funds, which are overseen by an expert team well-versed in market conditions, while contributing to the effective use of public resources through internationally-standardized fund management services.

In addition to the main targets for priority sectors outlined in the 11th Development Plan, specific mandates have been assigned to the Development and Investment Bank to facilitate these sectors' access to financing and enable long-term planning. Among the Bank's key responsibilities are supporting industrial investments and establishing long-term loan agreements with international financial institutions, particularly for priority sectors.

Fully aware of this important mission, the Bank continues its uninterrupted efforts both to transform the manufacturing industry and to provide access to resources necessary for production-based growth. Through 9 funds managed by its wholly-owned subsidiary Development Venture Capital Portfolio Management Inc., the Bank maintains its support for industrial enterprises and ventures in priority development sectors.

Established under the TKF umbrella fund,

Technology and Innovation Fund: **475 million TRY**

Regional Development Fund: **525 million TRY**

TKYB Master Fund: **50 million USD**

TÜBİTAK Bigg Fund: **9 million USD**

TKYB Capital Fund: **430 million TRY**

Established by Development Venture Capital Portfolio Management Inc.,

Development Participation Venture Capital Investment Fund: **154 million TRY**

Innovative and Advanced Technologies Participation Venture Capital Investment Fund: **611 million TRY**

Development METU Technopark Venture Capital Investment Fund: **22.2 million USD**

TÜBİTAK BiGG+ VCIF: **53 million TRY**

Through the total of 9 funds listed above, the objectives include making direct capital investments in small and medium-sized enterprises, increasing venture capital investments nationwide to channel more private sector resources into this area, and expanding investments across the country.

Türkiye Development Fund

One of our Bank's fundamental strategic objectives in development banking is to develop diverse financing products for priority sectors identified in national development plans - those with high import dependency, contributing to trade deficits, yet possessing significant employment generation potential and foreign exchange earning capacity.

Through our funds under TKF, we continue contributing to the entrepreneurship ecosystem by providing financial support to innovative projects, particularly in digital transformation and artificial intelligence. In 2024, TKF made a total of 11 direct investments, comprising 8 new investments and 3 follow-on investments in existing portfolio companies.

The TÜBİTAK BIGG+ VCIF was established as the ninth sub-fund, with an initial closing size of 53 million TL, enhancing collaboration opportunities with TÜBİTAK while also being open to participation from external institutional investors. This fund aims to provide seed-stage investments to companies previously established with BIGG program support.

Under TKF's umbrella, investments continue in the 430 million TL TKYB Capital Fund (established in 2021 with Türkiye Development and Investment Bank as sole investor), along with the Technology and Innovation Fund and Regional Development Fund created in collaboration with the Ministry of Industry and Technology and KOSGEB. The TKYB Master Fund, established mid-2024 through cooperation between the Ministry of Treasury and Finance and Türkiye Development and Investment Bank, plans to make its initial investments in 2025.

Through capital market-regulated funds such as the Innovative and Advanced Technologies Participation Venture Capital Investment Fund, Development Participation Venture Capital Investment Fund, Development METU Technopark Venture Capital Investment Fund, and TÜBİTAK BIGG+ VCIF, we aim to support technology-focused companies contributing to the national economy.

TKF aims to create an investment platform combining statutory authority, flexibility, independence and best practices. Through these funds and sub-funds, various capital and structured finance investments will be executed, strong relationships with the venture capital ecosystem will be established, and co-investment opportunities will be created.

Our Bank's strategic objectives are shaped by annually reviewed financial projections, prepared in alignment with the vision, mission and values forming the foundation of our Strategic Plan, and submitted to our Board of Directors for approval.

Project Finance and Corporate Loans

TKYB has distinguished itself over the past 20 years through significant financial support provided to various sectors of our country. The Bank has made substantial contributions to the national economy with $6.4 billion in financing sourced from international funds, spanning a broad spectrum including industry, renewable energy, energy and resource efficiency, circular economy, education, healthcare, wholesale banking, urban infrastructure, and tourism.

Through project finance and corporate loans, TKYB particularly supports strategic sectors with high economic and social development impact such as automotive, iron-steel, textiles, and renewable energy; thereby contributing to goals of economic development, social progress, and environmentally conscious growth.

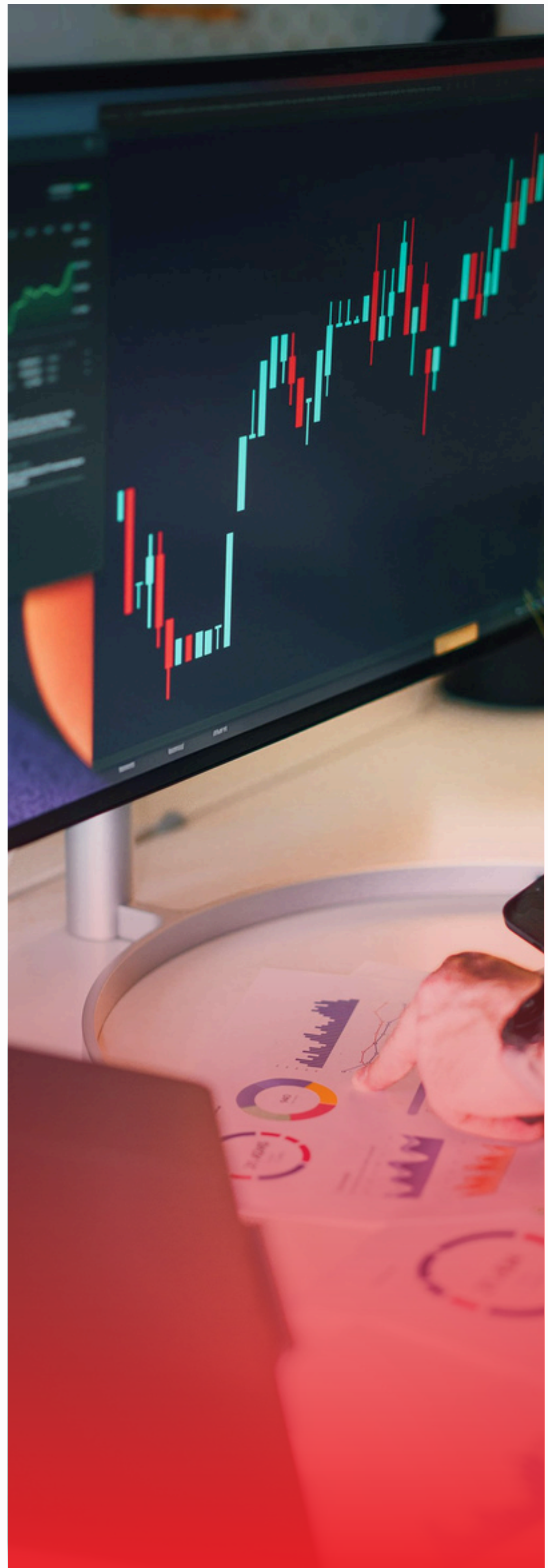
The Bank supports employment generation, export growth, and import substitution efforts by providing financing to manufacturing sector companies not only for new investments but also for capacity expansion, energy efficiency, modernization, R&D, and technology-focused projects. In structuring this support, alignment with sector priorities and development plans is carefully considered.

In the energy sector, the Bank prioritizes financing environmentally impactful projects, including renewable energy investments in solar and wind power, as well as resource efficiency, waste management, and sustainable production solutions in energy-intensive industries. This approach aims to reduce fossil fuel usage and decrease external dependency. Additionally, through supporting environmental investments such as waste-to-energy plants, water treatment systems, and recycling initiatives, the Bank contributes to emission reduction and efficient resource utilization.

For the tourism sector, the Bank provides support for sustainable tourism through renovation projects that prioritize energy efficiency.

Depending on financing needs, clients are offered either long-term investment loans or working capital loans. These credit facilities are provided either as direct corporate loans or special purpose vehicle (SPV) loans, with evaluations based on current balance sheets. Applications are processed by the Corporate Banking and Project Finance Unit.

Furthermore, in addition to direct lending, the Bank can offer more comprehensive financing solutions through intermediary financial institutions. This method is particularly utilized to enhance access for SMEs and regional projects.



Lending Process

The Lending Process consists of four stages: Project Risk Analysis, Feasibility, Project Finance Model, and Monitoring Period. During the Project Risk Analysis stage, sector and company/group analyses are conducted, examining macroeconomic risks as well as project-specific and company-specific risks. The Feasibility stage encompasses the evaluation of the project from various perspectives, including technical competency, financial suitability, economic returns, legal status, environmental impacts, and social appropriateness. These assessments are structured in alignment with our Bank's Sustainability Principles and Impact Management approach. In accordance with its environmental and social policy principles, the Bank also considers potential economic, environmental, and social risks arising from its services and activities. Within this framework, action plans for risk prevention or mitigation have been integrated as an essential component of the credit evaluation process.

In project credit allocation processes, the results of the Environmental and Social Risk Assessment and Monitoring Process constitute important inputs for our Bank. The outcomes of this process form the fundamental basis for determining final credit terms and making responsible financing decisions regarding projects.

The Project Finance Model stage involves determining the project's financial components, including debt/equity ratio, working capital requirements, maturity structure, and project/credit collateral. During the Monitoring Period, the project's technical progress and environmental-social impact reports are regularly tracked to monitor the performance of the financed project.

Project Risk Analysis
- Macroeconomic Risks
- Sectoral Analysis
- Project Risks
- Company Risks
- Company/Group Analysis
- Environmental, Social and Governance (ESG) Risk Analysis

Feasibility
- Technical Assessment
- Financial Assessment
- Economic Assessment
- Project Cash Flow
- Sales and Pricing
- Environmental and Social Risk Assessment

Project Finance Model
- Legal Permits and Legal Status
- Debt-Equity Balance
- Working Capital
- Maturity
- Project/Credit Collaterals

Monitoring Period
- Technical Progress Reports
- Environmental Social Monitoring Reports

APEX (Wholesale Banking) Lending Process

The APEX Banking lending process begins with the signing of a credit agreement with the funding institution. Rather than reaching end beneficiaries directly, this process operates through intermediary financial institutions (IFIs). Credit limits are allocated to potential IFIs. Subsequently, Offer Letters and IFI agreements are prepared. These agreements require approval from the Funding Institution to proceed. At this stage, contract terms are negotiated with the IFI and finalized with our Legal Department's approval. Following this, the relevant IFI undergoes financial and environmental compliance due diligence, receives approval from the Funding Institution, and executes the agreement with the IFI. After disbursement of IFI Loans, sub-loans submitted by the IFI are evaluated. For approved sub-loans, monitoring and reporting activities are conducted.

Funding Institution Credit Agreement Process

01 Credit Limit Allocation (For All Financial Institutions)

02 Sharing Offer Letters with Eligible IFIs and Obtaining Their Declarations of Interest

03 IFI Technical and Financial Evaluation

04 IFI Environmental Social Compliance Assessment

05 Preparation of IFI Credit Agreement and Approval by Funding Institution

06 IFI Funding Institution Approval

07 Signing of IFI Credit Agreement

08 Loan Disbursement

09 Review and Evaluation of Sub-loans

10 Monitoring and Reporting

03 Towards **Sustainable Tomorrows** with Strong Steps

We respond today to tomorrow's needs through our strategies that unite financial stability with environmental consciousness.

RESPONSIBLE BANKING FOR A SUSTAINABLE FUTURE

Responsible Banking for a Sustainable Future

Our Sustainability Governance

As TKYB, we continue to support our mission of contributing to sustainable development through our sustainability strategy, which we have integrated into all our banking operations. Our sustainability approach is based on two key strategic objectives: "Supporting Sustainable Development" and "Responsible Banking Principles."

Within this framework, we have established a specialized management team focused on sustainability and ethical practices, appointed a dedicated senior executive to develop and implement sustainability strategies, and assigned relevant responsibilities to other employees to manage sustainability-related risks and opportunities at the operational level.

When defining the Bank's sustainability strategies and targets, the highest-level governing body has clearly outlined responsibilities for managing these areas. Sustainability policies, strategies, and practices are championed and guided at the executive management level.

The Sustainability Committee, established in 2020 and chaired by our General Manager, convened twice in 2024 to evaluate the Bank's sustainability goals, risks and opportunities, performance indicators, and new action plans. The inclusion of an independent Board Member in the Committee strengthens the effectiveness and accountability of governance processes.

In 2024, the Committee went beyond internal assessments and played a guiding role in integrating national and international developments into strategic decision-making. Under its leadership, our Bank fostered international collaborations in climate finance and circular economy, ensuring active representation at global platforms such as the 2024 United Nations Climate Change Conference (COP29). This has further enhanced the effectiveness of decision-making mechanisms that contribute to sustainable development.

The Bank aims to have its sustainability targets validated by the Science-Based Targets initiative (SBTi) and is currently developing these targets, with plans to submit them for validation in the coming year.

Throughout 2024, the Sustainability Committee continued to guide the Bank's sustainability strategies and goals, assessed organizational developments, initiated climate change mitigation strategies, made decisions regarding Social Return on Investment (SROI) analysis, and consulted with external stakeholders on sustainability collaborations. Additionally, to enhance sustainability-focused knowledge sharing, the Sustainable Development Academy continued its activities, and the Bank published its first Sustainability Report under the TSRS (Turkish Sustainability Reporting Standards) framework.

All these activities have been carried out under the coordination of the Sustainability and Environmental Social Impact Management Unit.

During board meetings, the Development and Investment Bank of Türkiye's sustainability goals and performance indicators are regularly reviewed. Within this framework, current developments in sustainability, potential risks, and opportunities are shared with board members and thoroughly discussed. The board is consistently briefed to ensure the effective implementation and continuous improvement of sustainability strategies. This information is integrated into strategic decision-making and guidance processes, contributing to the achievement of the Bank's long-term objectives.

Controls and procedures for managing sustainability-related risks and opportunities have been clearly defined for relevant management bodies and individuals to whom these responsibilities are delegated. In cases where management responsibility is assigned, reports submitted to senior leadership are prepared in a detailed and comprehensive manner.

The Development and Investment Bank of Türkiye conducts its sustainability reporting processes in a regular and systematic manner, playing a critical role in monitoring the Bank's sustainability performance and shaping strategic decisions. Sustainability reports serve as key tools for strengthening communication with external stakeholders, while transparent engagement is facilitated through platforms such as general assembly meetings, dedicated sustainability panels, and forums.

Environmental and Social Risk Management

As the Development and Investment Bank of Türkiye (TKYB), we integrate our sustainable development vision into our credit processes and consider the effective management of environmental, social, and governance (ESG) risks a fundamental responsibility. In this context, our Sustainability and Environmental Social Impact Management Unit, operational since 2021, manages both direct and indirect impacts through a holistic approach.

All credit applications submitted to our Bank are first screened against an exclusion list of prohibited activities, and financing is categorically denied for any listed activities. Eligible projects undergo a comprehensive environmental and social risk assessment process. During this process, projects are classified into risk categories—High (A), Medium-High (B+), Medium (B), and Low (C)—based on their potential impacts. Appropriate Environmental and Social Action Plans (ESAPs) are then developed and integrated into credit agreements, tailored to each project's risk level.

Environmental and Social Risk Management

Throughout the project implementation process, environmental and social performance is regularly monitored, and additional improvement measures are taken when necessary based on evaluation results. Additionally, internal awareness is enhanced through training programs for our employees, while stakeholder engagement is supported through a publicly accessible complaint and feedback mechanism available on our website.

This comprehensive and systematic approach reflects our Bank's commitment to transparent, participatory, and responsible financing aligned with sustainable development goals.

Corporate Governance Performance

The Bank's rating in the assessment conducted by Corporate Governance and Credit Rating Services Inc. improved from 9.40 to 9.52, demonstrating the effectiveness of our corporate sustainability performance.

Our Sustainability Committee

As the Development and Investment Bank of Türkiye (TKYB), we adopt a strong ownership and leadership approach at the executive level to establish our sustainability objectives and ensure their effective integration across all Bank operations.

1. **İbrahim Halil Öztop**
   Role: Committee Chair
   Title: General Manager

2. **Erdal Erdem**
   Role: Committee Vice-Chair
   Title: Board Member

3. **Seçil Kızılkaya Yıldız**
   Role: Member
   Title: Deputy General Manager

4. **Emine Özlem Cinemre**
   Role: Member
   Title: Deputy General Manager

5. **N. Yasin Külahçı**
   Role: Member
   Title: Deputy General Manager

Established in 2020, our Sustainability Committee plays a critical role in developing sustainability strategies, formulating policies, regularly monitoring implementations, and reporting sustainability performance. The Committee continues its work to strategically manage our Bank's sustainability initiatives and embed sustainability as an integral part of corporate culture.

The Committee, chaired by the General Manager, undertakes key responsibilities including setting the Bank's sustainability goals, policy development, performance monitoring, and managing reporting processes.

Our Committee operates under the leadership of General Manager İbrahim Halil Öztop and includes Independent Board Member Erdal Erdem (Committee Vice Chair), Deputy General Manager for Sustainability and Environmental Social Impact Management Seçil Kızılkaya Yıldız, Deputy General Manager for Development Finance and Financial Institutions Emine Özlem Cinemre, Deputy General Manager for HR, Finance and Strategy N. Yasin Külahçı, and the Manager of the Sustainability and Environmental Social Impact Management Unit. Member selection is determined by Committee decision, including the independent Board Member and other supporting members. The Committee may incorporate additional members as needed.

The Committee fulfills important duties such as making strategic decisions that consider ESG factors, developing innovative sustainability solutions, and promoting sustainability-focused projects.

Our Sustainability Committee

In 2024, the Sustainability Committee convened twice and evaluated the following key issues:

- Discussions focused on updates and enhancements to our Bank's organizational structure for sustainability and environmental social impact management.
- An assessment of the current state regarding the fight against climate change was conducted, and decisions were made on the development of a strategic roadmap in this area.
- Information was provided on SROI - Social Return on Investment analysis, and implementation areas were determined.
- Work within the scope of TSRS (Turkish Sustainability Reporting Standards) was reviewed, resulting in the publication of our Bank's first TSRS report.
- Steps were taken to develop strategic collaborations with universities in the field of sustainability.
- Activities under the Sustainable Development Academy project were evaluated, and actions to enhance the project's effectiveness were identified.

The Sustainability Working Group, operating under the Committee, has continued its regular activities to enhance the effectiveness of sustainability initiatives and identify proposals to be presented to the Committee.

This working group was established in 2023 by the Sustainability and Environmental Social Impact Management Unit and is responsible for determining decisions to be brought before the Committee, conducting studies related to targets, and carrying out activities concerning the Bank's sustainability efforts.

The "Sustainability Committee Directive," which defines the working principles of our Committee, was last updated on July 25, 2024, due to organizational changes. With this update, the Committee's working methods and member structure have been realigned with current corporate needs, aiming for more effective management of our sustainability strategies.

Our Sustainability Committee continues to work efficiently and decisively to make and implement decisions that will advance TKYB's strategic sustainability goals.

Policies and Principles

In 2024, TKYB further strengthened its commitment to policies and pledges supporting sustainable development while continuing to foster a robust corporate sustainability culture. Our Bank has established as its core mission: meeting investors' financing and advisory needs, supporting structural transformations aligned with Türkiye's sustainable development priorities, and ensuring widespread capital distribution.

The TKYB Sustainability Principles, adopted in 2020 as the foundation of our sustainable development goals, continued to be meticulously integrated into all business processes in 2024, remaining the guiding framework of our sustainability approach. In line with these principles, we analyze and manage our environmental and social impacts while fostering fair, transparent, and trust-based relationships with all stakeholders. Within our commitment to the SDGs (Sustainable Development Goals), we continue to develop and finance projects supporting Türkiye's sustainable development objectives. Through these initiatives, we directly or indirectly contribute to 15 of the 17 SDGs.

The Bank pledges to maintain fairness and transparency in all communications while providing employees and clients with a respectful, equitable, and trustworthy environment grounded in human rights. It also aims to raise sustainability awareness by encouraging clients and stakeholders to embrace these values. Concrete steps are being taken to define the scope of sustainability policy commitments across all organizational activities and business relationships. These commitments, approved by the Board of Directors, are central to strategic objectives and are communicated to employees, stakeholders, and relevant parties through internal training programs and regular communication channels.

Our Bank's sustainability policy commitments are approved by our Board of Directors and form the core of all strategic decisions. These commitments are clearly defined to encourage alignment with sustainability principles among employees, clients, and stakeholders, and are shared through internal training programs and structured communication methods.

In 2024, we are further expanding our training and capacity-building activities for our employees to enhance the institutional awareness and applicability of our sustainability policies and principles. Our training content focuses on critical themes such as environmental and social risk management, combating climate change, SROI analysis, and TSRS compliance processes, while also providing up-to-date information on national and international sustainability trends and regulations. In this context, regular reporting has been ensured under the Sustainable Development Academy, and the impact of the trainings has been continuously monitored.
Our Bank ensures the implementation of sustainability commitments across all business processes and remains committed to providing a respectful, equitable, fair, and safe environment. At the same time, we maintain full compliance with regulations in areas such as our zero-tolerance policy against bribery and corruption, occupational health and safety, equal opportunity, and environmental sensitivity.

As TKYB, we remain firmly committed to continuously updating our policies and principles, strengthening our sustainability culture, supporting our institutional transformation, and reinforcing our leadership in the journey toward sustainable development.

Sustainability Policy and Commitments

Our Environmental and Social Policy

As TKYB, we remained strongly committed to our Environmental and Social Policy throughout 2024, in line with our mission to contribute to sustainable development. Implemented in January 2020, this policy covers all our employees and operations. Recognizing the long-term benefits of environmental and social development, our Bank pledges full compliance with the environmental and social standards of the International Finance Corporation (IFC) and other international IFI/DFI institutions.

In this context, during 2024, we continuously enhanced our Environmental and Social Management System (ESMS) to strengthen the management of environmental and social risks. Through the ESMS, we meticulously manage not only environmental and social risks but also credit and reputational risks in our investment processes. To minimize projects' potential adverse impacts on the environment and communities while upholding our commitment to protecting biodiversity and cultural heritage, we continued conducting detailed field visits with experts for the projects we finance. These on-site analyses enabled comprehensive assessments of projects' effects on biodiversity and cultural heritage. To ensure effective management of potential risks, we maintained our requirement for clients to submit biodiversity management plans and cultural heritage management plans as part of credit agreements.

In 2024, the Bank continued its sustainability-focused efforts with determination, further developing its targets in alignment with the Science Based Targets initiative (SBTi) while also completing CDP reporting and Sustainalytics risk assessment processes. These initiatives represent fundamental building blocks of the Bank's sustainability strategy and demonstrate progress consistent with its Net-Zero targets. The Bank maintained its consistent success in CDP reporting, achieving a B score in climate change, water security, and deforestation categories, thereby preserving its strong performance.

The Bank continued to expand its sustainability collaborations in 2024, particularly strengthening ties with academic institutions. Building upon its existing sustainability partnership with Istanbul Technical University (ITU), the Bank signed cooperation agreements with Marmara University, Okan University, Bahçeşehir University, TED University, Boğaziçi University, Middle East Technical University (METU), and Yıldız Technical University (YTU), bringing the total to 8 universities with which it has established formal sustainability cooperation protocols.

Environmental Management System

As the first public bank in Türkiye certified with the TSE EN ISO 14001 Environmental Management System Standard, we aim to minimize environmental impacts from our operations while increasing positive contributions. In this regard, we successfully completed our 2024 surveillance audit with zero non-conformities. Our system, based on energy and resource efficiency, enables us to holistically manage risks and opportunities across economic, environmental, and social dimensions. Furthermore, we have adopted as fundamental principles: reducing resource consumption in our operations, improving waste management effectiveness, fostering environmental awareness, and supporting environmentally conscious volunteer activities.

Climate Change Mitigation and Adaptation Policy

The Development and Investment Bank of Türkiye, recognizing the economic, social, and financial impacts of climate change, continued to prioritize climate change mitigation and adaptation efforts in 2024. In line with its "Climate Change Mitigation and Adaptation Policy" published in June 2020, the Bank regularly monitors greenhouse gas emissions from its operations and sets reduction targets.

The 2024 greenhouse gas emissions performance was calculated, verified, and transparently shared with all stakeholders through the Carbon Disclosure Project (CDP) Climate Change Program, in compliance with the TS EN ISO 14064-1:2018 standard, the GHG Protocol, and the PCAF methodology. Additionally, Scope 2 emissions for 2024 were neutralized through I-REC certificates, directly contributing to the Bank's net-zero commitment.

CDP reporting remains a critical tool for demonstrating the Bank's commitment to climate action, disclosing climate risks, and managing their financial impacts. The Development and Investment Bank of Türkiye has consistently submitted CDP reports since 2016.

To raise environmental awareness and reduce environmental impacts, the Bank conducted various training programs throughout 2024, aiming to enhance both employees' and stakeholders' understanding of climate change. These initiatives have contributed to increasing climate awareness across society while strengthening technology-based risk management capabilities.
Throughout 2024, the Bank's commitments under its "Environmental and Social Policy" and "Climate Change Mitigation and Adaptation Policy" were implemented in full alignment with both national and international standards and principles. These policies form the foundation of the Development and Investment Bank of Türkiye's determination to achieve its sustainable development goals.

Our Effective Stakeholder Communication

Türkiye Development and Investment Bank (TKYB) adopts transparent, continuous, and constructive communication with all stakeholders as a core principle in the development and implementation of its sustainability strategies. Throughout 2024, the Bank has worked in close collaboration with a wide range of stakeholders, including clients, funding institutions, public agencies, international cooperation partners, consultants, training and audit institutions, social responsibility platforms, suppliers, and sectoral organizations to which the Bank is affiliated.

A comprehensive stakeholder mapping process was conducted to assess stakeholders' influence on business processes and their significance. Through this process, the expectations and needs of priority stakeholders were regularly analyzed and served as a fundamental input in shaping the Bank's sustainability strategies and activities.

In line with the integrated thinking approach, regular communication mechanisms were implemented to align all business processes with stakeholder expectations. Two-way interaction was encouraged, leading to more inclusive and effective practices. As a result, a deeper understanding of stakeholder expectations was achieved, and the focus was placed on developing value-creating solutions.

The intranet portal, established to foster strong communication with internal stakeholders, remained actively in use throughout 2024. This digital platform enabled employees to access up-to-date information quickly and securely, provide feedback, follow internal developments, and engage interactively—thus strengthening internal communication.

Türkiye Development and Investment Bank views stakeholder communication not merely as information sharing but as a decisive factor in strategic direction-setting. Accordingly, feedback mechanisms are actively utilized, and the data gathered is integrated into business processes. Throughout 2024, sustainable collaborations with various stakeholder groups were established through meetings, training programs, surveys, and joint projects.

In line with its goal of creating sustainable value, TKYB remains firmly committed to maintaining a trust-based and continuous communication approach that takes into account the priorities of all stakeholders.

Our Effective Stakeholder Communication

Stakeholder Groups	Employees	International Financial Institutions	Investors	Customers
Stakeholder Expectations	• Safe, healthy, and inclusive work environment • Career development, training, and learning opportunities • Compensation and benefits • Participatory management • Performance-based evaluation system	• Provision of data requests • Completion of approval processes • Timely and accurate communication • Building reputation • Financing for SMEs • Financing for renewable energy • Responsible banking approach • Reporting • Meetings • Current assessments of Turkish markets and economy • Investment trends • Periodic updates on financed projects • Support for sustainable development	• Building reputation • Financing for renewable energy • Responsible banking approach • Contributing value to the national economy • Debt instruments • Advisory services for public offerings and other capital market transactions • Support for sustainable development • Financing investments under forward-looking industrialization strategy	• SME financing • Renewable energy financing • Ensuring Bank's procurement • Alignment with Bank's strategic goals • Efficient credit utilization processes • Responsible banking approach • Debt instruments • Advisory services for public offerings and other capital market transactions • Provision of suitable financing sources • Access to alternative financing (strategic/financial partnerships, company/asset sales, mergers, divestitures) • Cross-border investments (greenfield) - financial assessment and feasibility within investment incentive certificate framework
Actions Taken	• Education Activities • Performance Evaluation System • Vocational and Personal Training Programs • Two-Way Communication Channels	• Coordination with relevant units to prepare requested data • Preparation of routine progress reports • Updating mission and status • Full participation in necessary meetings • Supporting the promotion of the credit portfolio with presentations and tasks when required • Timely completion of necessary preparations and reporting • Rapid and effective planning of the bank's current resources and continuous monitoring of market trends and customer information to inform international financial institutions for new resources • As teams in direct communication with customers, conveying strong investments and planned investments, sectors, and qualified trends in our country to fund providers during periodic meetings • Project management in sectors aligned with our country's sustainable development goals • Providing consultancy services to private sector and public institutions in the renewable energy field	• Meetings • Sharing announcements and current news • Setting bank goals in line with our country's objectives • Establishing new resource agreements with strong public support "Conducting bank activities in line with common stakeholder expectations" • Holding meetings with investors as part of consultancy services provided for capital market transactions conducted by public institutions and private sector firms • Holding meetings as part of consultancy services provided for environmental and social capital market transactions aimed at Türkiye's sustainable development • Creating differentiation in capital markets • Providing consultancy services to public institutions and private sector firms for projects in various sectors, especially energy, chemicals, technology, and automotive	• Conducting project information meetings • Sharing announcements and current news • Signing contracts • Providing training • Management and financing of projects • Timely completion of necessary preparations and full participation in transactions • Application processes conducted with institutions such as the CMB, Borsa Istanbul, MKK, and Takasbank, among others • Consultancy services for environmental and social capital market transactions aimed at Türkiye's sustainable development • Ensuring customers always receive the fastest and most accurate results • Bank as a resource creator and implementer for investments • Submitting proposals and offers created to meet customer demands and needs within the framework of Bank Credit Policies to the Board of Directors for approval • Managing disbursement and usage processes after the credit utilization process • Providing information and financial consultancy services to public institutions and/or foreign private sector firms • Addressing, evaluating, and reducing customer complaints • Increasing and improving customer satisfaction • Addressing and meeting customer expectations • ISO 10002 Customer Satisfaction Management System certification

Our Effective Stakeholder Communication

Stakeholder Groups	Public institutions	Non-Governmental Organizations	Suppliers	Auditors
Stakeholder Expectations	• Provision of data requests • Completion of approval processes • Establishment of timely and accurate communication • Support for regional development • Support for exemplary sectors (import-reducing and export-increasing sectors) • Regarding capital market transactions: Processing applications with all relevant public institutions, primarily the Republic of Türkiye Ministry of Treasury and Finance, CMB (Capital Markets Board), Borsa Istanbul (Istanbul Stock Exchange), MKK (Central Securities Depository) and Takasbank (Clearing Bank) • Provision of investment banking services	• Support for regional development • Financing of renewable energy • Support for employment	• Growing together and creating value by supporting financial development	• Transparency • Accountability and reliability • Compliance and internal controls
Alınan Aksiyonlar	• Coordination with relevant units for preparation of requested data • Ensuring project period communication • Processing applications to institutions including CMB (Capital Markets Board), Borsa Istanbul, MKK (Central Securities Depository), and Takasbank as part of consultancy services • Developing projects and participating in working groups in accordance with requests from all relevant public institutions • Providing financial advisory, merger & acquisition, and privatization consultancy services to public institutions and private sector companies, primarily to OIB, TVF, and TMSF	• Ensuring project period communication • Providing merger & acquisition advisory and/or financial consultancy services for impact investment projects aligned with our nation's sustainability goals	• Supply management plan • Identification and qualification assessment of potential vendors • Make-or-buy decision making • Management of tender/proposal/contract processes • Vendor acceptance • After-sales services (SLA and customer relationship management)	• Providing audit documents and coordinating with relevant units for preparation of requested data • Ensuring project period communication and monitoring audit result reports • Enhancing compliance processes, internal control mechanisms, and risk management

Stakeholder Communication Channel								
Email	Phone	Surveys	Shipping	Meetings	Video conference platforms	Physical meetings	Reporting	Website
Electronic Document Management System (EDMS)	Public Disclosure Platform	Legal compliance and activity reports	Memberships	Conferences	Social media accounts	Press releases	Online integrations	Audit reports

Materiality Analysis and Material Topics

In 2024, Türkiye Development and Investment Bank implemented a comprehensive materiality methodology based on the double materiality approach when shaping its sustainability strategies. This approach holistically evaluates the Bank's strategic goals alongside stakeholder expectations and sectoral trends.

Grounded in integrated thinking, the Bank considers it a key responsibility to gather stakeholder input on priority issues aligned with its sustainability strategy and to take concrete actions accordingly.

To support the dynamic nature of its sustainability strategy, the Bank regularly updates its materiality analysis and revises it as needed. The insights gained from these analyses are directly integrated into the Bank's strategic decision-making processes. The sustainability goals determined in light of these insights are continuously monitored. Furthermore, the results of the analysis are assessed not only at the strategic level but also within operational processes. Based on these assessments, specific actions are planned and implemented.

The impact of the analysis results is reviewed in depth at regular intervals in line with evolving stakeholder expectations and sectoral developments.

In light of these evaluations, the Bank's sustainability strategies are updated and improved with both short- and long-term perspectives, forming a continuous improvement cycle toward achieving sustainable development goals.

AThe outcomes of the analyses are directly reflected in the Bank's interactions with both internal and external stakeholders, as well as in its overall corporate sustainability performance. These outcomes contribute to managing such processes in a transparent and accountable manner.

In this context, priority sustainability topics were identified by taking into account the Bank's strategy, feedback from internal stakeholders, assessments of key external stakeholders, and the results of external environment analyses. Throughout the process, the Bank determined priority topics under the key focus areas guiding its strategic direction, shared them with both internal and external stakeholders, and collected feedback.

Moreover, this process has provided significant insights into which strategic orientations should be adopted for the Bank to achieve its sustainability goals. A comprehensive and meticulous approach was followed, incorporating relevant reports and guidelines published by national and international organizations.

Materiality Analysis and Material Topics

Materiality Analysis Methodology

1 Review of Previous Analyses

In the initial phase of the process, TKYB (Türkiye Development and Investment Bank) comprehensively revisited the 2023 materiality analysis and identified priority topics. Within this scope, the findings from the previous year and strategic priorities were reviewed, and the validity and strategic importance of current sustainability topics were evaluated.

2 Identification of Material Topics

Based on the data and insights obtained during the review process, strategically material topics are determined. These topics are selected according to the Bank's operations, environmental and social impacts, stakeholder expectations, and sectoral dynamics. During the assessment process, decisions are made by considering global and sectoral trends (see Section 4: Assessment of Global and Sectoral Trends), the Bank's overall strategy, and feedback from senior management.

3 Stakeholder Engagement

The identified material topics are presented to stakeholders through surveys for inclusion in the materiality analysis. In the 2024 survey process, the Bank received a total of 117 qualified responses. The results serve as a key reference in determining which topics stakeholders perceive as critical for TKYB and their level of strategic importance.

4 Assessment of Global and Sectoral Trends

In addition to stakeholder feedback, the Bank also incorporates global and sectoral developments into its analysis process. In this context, the Bank takes into consideration the Sustainability Strategic Plan of the Banking Regulation and Supervision Agency (BRSA), the United Nations Sustainable Development Goals (SDGs), the World Economic Forum's (WEF) Global Risks Report, as well as sector-specific topics defined by the Sustainability Accounting Standards Board (SASB), the London Stock Exchange Group (LSEG), and S&P Global.
This holistic approach enables the identification of strategically significant topics within the Bank's materiality analysis and sectoral evaluation processes. It also facilitates a more detailed examination of sector-specific impacts. As a result, the Bank is able to align more closely with sectoral trends and implement its sustainability strategies more effectively.

5 Materiality Analysis Study

After collecting stakeholder insights and analyzing sectoral trends, the Bank ranks the identified topics in accordance with its established materiality prioritization framework. The prioritization process is finalized by categorizing the topics based on their level of significance:

- **High-Material Topics: Topics that received a score of 65 or above.**
- **Material Topics: Topics that received a score between 55 and 65.**

6 Management's Role

The priority topics for 2024 were reviewed and approved by the Board of Directors. Senior management plays a central role in defining and implementing the Bank's strategic priorities. Both the Executive Committee and the Board of Directors evaluate the outcomes of the materiality analyses to confirm their accuracy and relevance.
This process is carried out with the active involvement of both governing bodies, ensuring that the identified priorities are aligned with the Bank's sustainability and growth strategies.

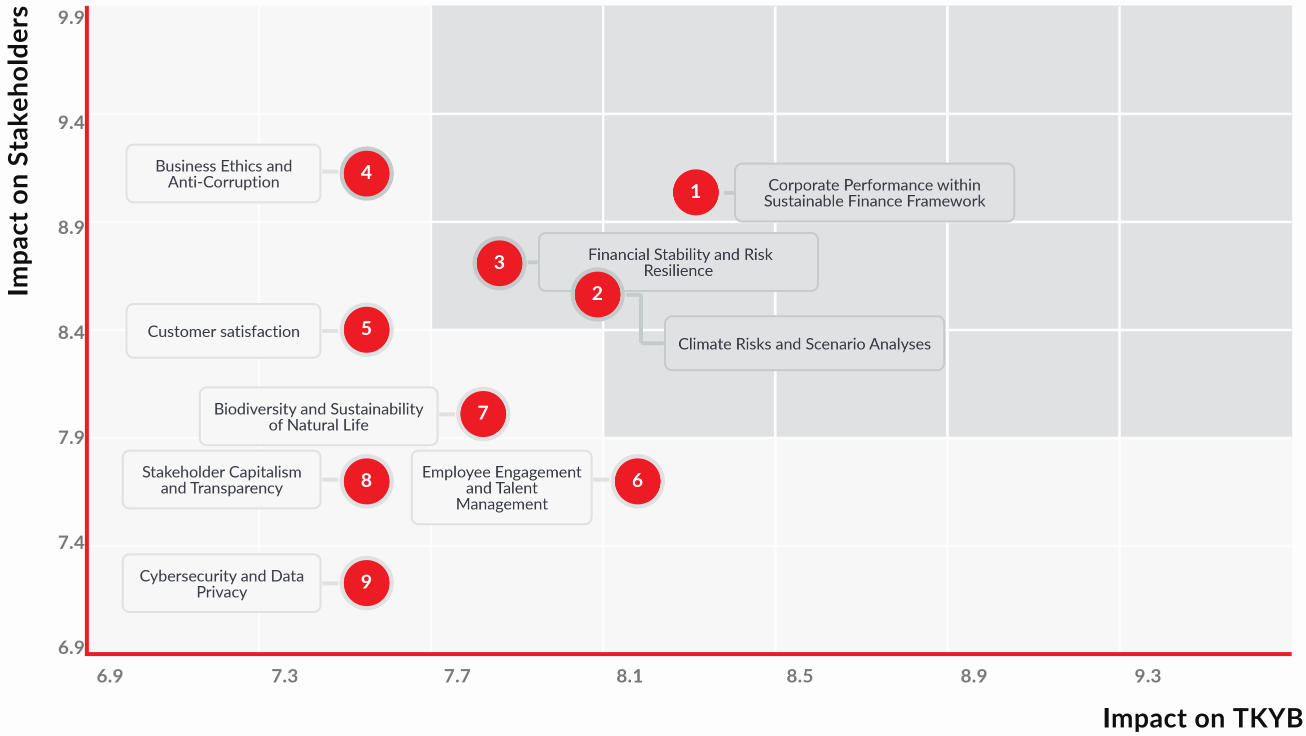
7 Strategy Integration

Based on the results of the materiality analysis, the Bank transparently discloses its material topics in its integrated report and shapes its sustainability strategies in line with these priorities. The identified topics are continuously taken into account in both the Bank's long-term strategies and its operational planning processes.
In addition, the materiality analysis contributes significantly to the Bank's corporate risk management processes. Through this integrated approach, the Bank is able to advance more effectively toward its sustainability goals while also strengthening its risk management by developing timely and effective responses to identified risk factors.

8 External Audit

The materiality analysis process has been rigorously assessed and verified for accuracy by an independent external assurance provider. This verification contributes to the Bank's ability to respond more effectively to stakeholder expectations, swiftly adapt to changing market conditions, and strengthen its strategic decision-making processes in line with a continuous improvement approach. Thus, the Bank manages its sustainability performance transparently while reinforcing its corporate credibility.

Materiality Analysis and Material Topics



	HIGH MATERIAL TOPICS	Impact on Stakeholders	Impact on TKYB
1	Corporate Performance within Sustainable Finance Framework	8.31	9
2	Climate Risks and Scenario Analyses	8.10	8.5
3	Financial Stability and Risk Resilience	7.86	8.75

	MATERIAL TOPICS	Impact on Stakeholders	Impact on TKYB
4	Business Ethics and Anti-Corruption	7.52	8.5
5	Customer Satisfaction	7.52	8.5
6	Employee Engagement and Talent Management	8.15	7.75
7	Biodiversity and Sustainability of Natural Life	7.79	8
8	Stakeholder Capitalism and Transparency	7.52	7.75
9	Cybersecurity and Data Privacy	7.56	7.25

The Bank adopts a high level of transparency principle throughout the prioritization process, maintaining a continuous and comprehensive information-sharing practice with its stakeholders. Accordingly, the data obtained during the process are carefully analyzed and presented to stakeholders in an open, clear, and detailed manner. This approach aims not only to meet stakeholder expectations but also to strengthen accountability and trust within the scope of sustainability strategies. Taking these analysis results into account, the Bank regularly updates its sustainability strategies and takes transparent, proactive steps. This approach contributes both to the improvement of corporate sustainability performance and to further strengthening the Bank's strong position in the industry.

Responsible Banking for a Sustainable Future

As TKYB, we are resolutely pursuing our mission to support sustainable development in line with responsible banking principles. With over half a century of experience, we aim to create an inclusive, equitable, and resilient development model by integrating an ESG-focused approach into all our financing processes, even in the second century of our Republic.

Focusing on the future of Türkiye and the world, the Bank meets the financing and advisory needs of investors while making a significant contribution to addressing the environmental, social, and economic impacts of climate change. In this context, the principle of Responsible Banking, one of TKYB's five core values, is placed at the center of all our activities and reinforces our mission to support sustainable development. With this approach, the Bank demonstrates sensitivity to the environment and society and aims to create long-term value by using its resources efficiently.

In 2024, our Bank further strengthened its national and international collaborations in the areas of environmental responsibility and climate change mitigation, which are essential components of sustainable development. As a founding signatory of the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking, we continue to deepen our efforts to implement the requirements of these principles.

This approach is built on the efficient use of resources, responsible risk management, and prioritization of investments that enhance social welfare. Our commitment to environmental and social sensitivity enables the creation of long-term value aligned with the Sustainable Development Goals.

Through our responsible banking approach that embraces the principles of impact management, we apply integrated evaluation systems across all project finance, venture capital, and private equity investments in line with the principles of transparency, accountability, and measurability.

Particular emphasis has been placed on actively supporting projects that generate societal benefits in key areas such as renewable energy, energy efficiency, food security, and the reduction of carbon emissions in industry. This progress demonstrates the Bank's strong commitment to sustainable investments. In 2024, TKYB provided a total of USD 2.5 billion in financing linked to sustainable development goals, contributing directly or indirectly to 15 of the 17 Sustainable Development Goals.

In addition, the Bank financed 7 percent of renewable energy projects in Türkiye, helping to avoid 4.2 million tons of CO_2 emissions.

Within the scope of the Registered Employment Creation Project (KAYİST-FECP) financed by the World Bank, the Bank disbursed EUR 70 million in APEX loans in 2024, bringing the total disbursement under the APEX loan component to EUR 190 million, marking its completion. Under the Emergency Firm Support Project (EFSP) with the World Bank, USD 85 million in APEX loans were disbursed in 2024.

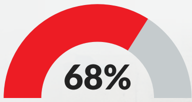
As part of the EU grant program under the FEC Project, sub-grant agreements totaling EUR 66 million have been signed between the Bank and 591 firms. Of these, the implementation of sub-projects for 565 firms is currently ongoing.

In line with our responsible banking vision, TKYB will continue to prioritize projects in 2025 that reduce environmental impacts, generate social value, and support sustainable economic growth.

As of 2024, our sustainability-themed loan portfolio has reached

of our total portfolio.

The climate-related SDG ratio (excluding APEX) was



ESG and Climate Risks and Opportunities

At TKYB, we manage risks and opportunities in ESG areas in an integrated manner with our sustainable development goals. Our Environmental and Social Risk Management Model, developed in line with this approach, provides a holistic framework for identifying, managing, and monitoring project risk at an early stage across all credit processes.

ESG Risk Management Model

Within the scope of our model, which will be actively implemented in 2024, all projects are classified into the following four main risk categories:

Risk Category		Definition
A	High Risk	Projects with the highest environmental and social risks
B+	Medium-High Risk	Projects between medium and high risk
B	Medium Risk	Medium-level risks
C	Low Risk	Projects with the lowest environmental and social risks

This systematic classification assesses not only risk levels but also the capacity of clients to manage these risks.

Within the scope of our model, which will be actively implemented in 2024, all projects are classified into the following four main risk categories:

1. **Unfunded Activities (FEF) Check:**
The project activities were checked to see if they were included on the Bank's FEF list. The process for listed activities has been finalized.

2. **Environmental and Social Risk Categorization:**
All projects are analyzed and assigned risk levels using the Bank's Environmental and Social Risk Assessment Model.

3. **Action Plans and Contractual Obligations:**
Environmental and Social Action Plans were prepared for identified risks, shared with customers, and obligations were integrated into loan agreements.

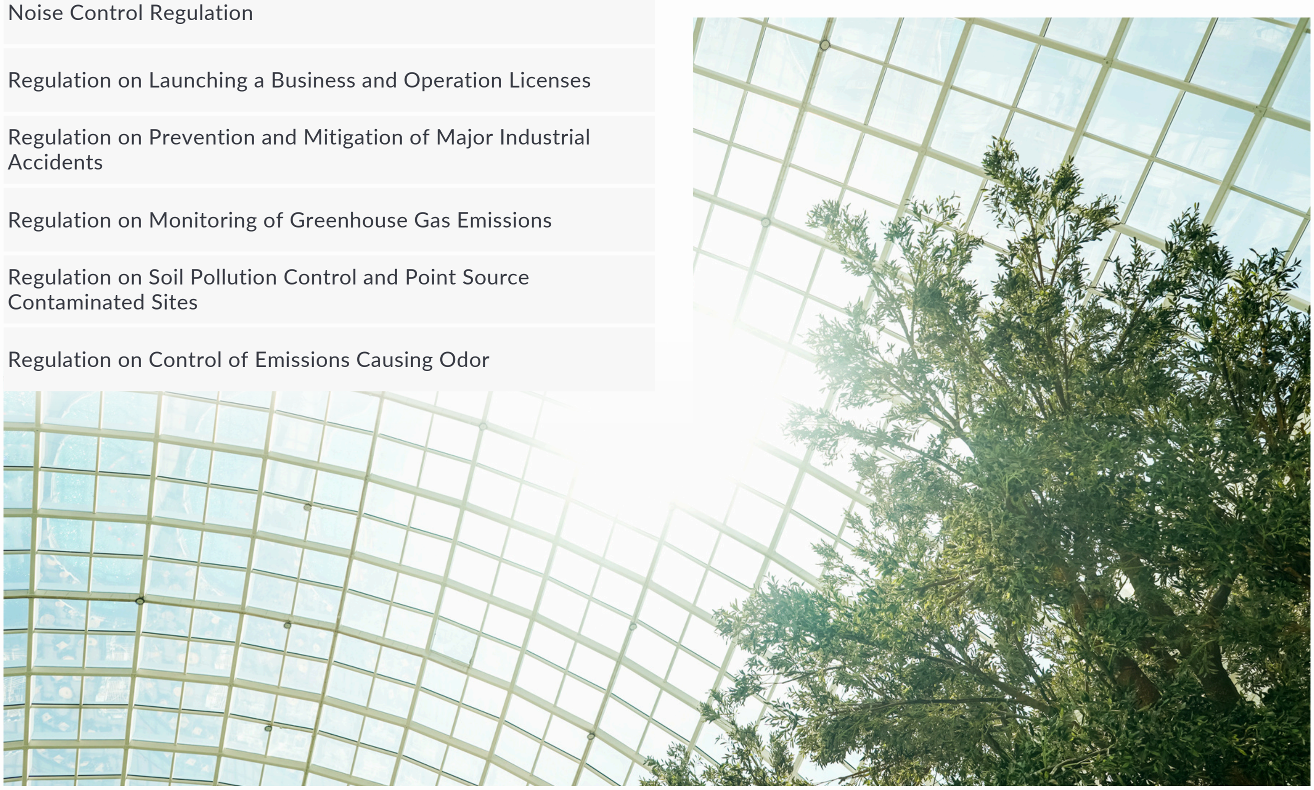
4. **Performance-Based Loan Allocation:**
Loan allocations are based on environmental and social performance criteria.

5. **Monitoring and Impact Reporting:**
Throughout the loan period, projects were monitored through field visits and monitoring mechanisms, and environmental and social impacts were reported annually.

National and International Environmental Legislations

The Bank complies with national and international environmental legislation in its environmental and social risk assessment process. These standards provide a framework for making the Bank's operations more sustainable.

National Environmental Legislation	International Environmental Legislation
Environmental Law	World Bank E&S Standards Framework, ISO 14001: 2015 - Environmental Management System Standard
EIA Regulation	IFC Performance Standards
Waste Management Regulation	European Union E&S Legislation
Water Pollution Control Regulation	AIIB Environmental and Social Framework
Environmental Permit and License Regulation	International Best Available Techniques (BAT)
Biodiversity Regulation	Paris Climate Agreement and the European Green Deal
Industrial Air Pollution Control Regulation	E&S Standards of Source Organizations
Occupational Health and Safety Law	International Agreements
Noise Control Regulation	
Regulation on Launching a Business and Operation Licenses	
Regulation on Prevention and Mitigation of Major Industrial Accidents	
Regulation on Monitoring of Greenhouse Gas Emissions	
Regulation on Soil Pollution Control and Point Source Contaminated Sites	
Regulation on Control of Emissions Causing Odor	



2024 ESG Risk Assessment Results

Within the scope of our model, which will be actively implemented in 2024, all projects are classified into the following four main risk categories:

A	High Risk	0
B+	Medium-High Risk	7
B	Medium Risk	48
C	Low Risk	4

Developments and Applications in 2024

- In funding provided through intermediary financial institutions, the ESG risk levels of sub-projects were assessed in detail, and institutional capacity was increased through training and monitoring activities for these institutions.
- Throughout 2024, a total of 59 projects were included in the environmental and social risk assessment process. Details regarding the risk categorization and scoring of these projects are presented in the table above.
- Sustainability dashboards provide real-time data flow to management, and the use of digital tools in monitoring and reporting processes has become widespread.
- Credit portfolio emissions between 2021 and 2024 were calculated according to the PCAF methodology, went through an independent verification process, and were published in the 2024 Integrated Report.

Thanks to this integrated risk management approach, both direct operational risks and indirect credit-related risks are minimized, and a strong governance infrastructure is supported in line with our Bank's sustainable financing objectives.

ESG-Focused Investments and Financing

TKYB continues to be one of the leading actors in sustainable development finance by adopting an investment approach that considers environmental and social impacts and aligns with governance principles. The Bank shapes all of its financing decisions not solely based on economic return, but also through the lenses of environmental sustainability, social inclusion, and ethical governance values.

Fields of Work and Strategic Activities

- **Monitoring developments in the field of sustainability:** To be up-to-date on sustainability developments both domestically and internationally.
- **Developing the impact investment ecosystem:** To contribute to the country's achievement of the Sustainable Development Goals (SDGs) by supporting the formation of the impact investment ecosystem in Türkiye.
- Integration of environmental, social and governance issues: To integrate environmental, social and governance issues into the Bank's financing processes and to determine policies and practices in these areas.
- Environmental and social risk analysis: To fulfill the determined responsibilities by analyzing environmental and social risks in credit processes and to evaluate the relationship of projects with the Sustainable Development Goals (SDGs).
- Ensuring compliance with international standards: Carrying out activities within the scope of sustainability and integrated management system, maintaining relations with relevant institutions and memberships; ensuring the implementation of international norms such as IFC Performance Standards.
- Reporting and information sharing: Preparing the Bank's reports within the scope of the Sustainability, Impact, Integrated Management and Carbon Disclosure Project (CDP) and sharing these reports transparently with stakeholders.
- Committee directions: To fulfill the requirements of the Sustainability Committee and work in accordance with the strategic directions of the committee.

Investment and Financing Activities

Throughout 2024, investments that prioritize social and environmental impacts were supported, and many international financing agreements were signed in this context:

- Through collaborations with international organizations such as the World Bank, AIIB, OPEC Fund, ITFC, Clean Technology Fund, KfW, EIB and JBIC, strong financial solutions have been offered in the areas of renewable energy, energy efficiency, climate finance, SME support, agriculture and food security.
- Special thematic financing programs supporting women's entrepreneurship, youth employment and vulnerable groups have been launched, and these priority areas have been integrated into the credit portfolio evaluation processes.
- The Bank has implemented practices such as Impact-Based Credit Assessment Criteria and the Social Impact Assessment Tool to guide projects with low environmental and social impact.
- As a follow-up to Türkiye's first social sukuk issuance, a second social bond issuance was issued in 2024. Work carried out within the scope of the Sustainable Bond Framework was supported by Second Party Opinion (SPO), and transparent reporting was provided regarding the environmental and social impacts of funds allocated to investors.
- As of the end of 2024, approximately 96% of the loan portfolio consisted of sustainability-themed loans, which directly or indirectly contributed to 15 of the 17 targets of the United Nations Sustainable Development Goals (SDGs).

Impact Management and International Compliance

The Bank's sustainable investment strategy is reinforced by memberships in international principles and networks:

- As the first and only organization in Türkiye to sign the IFC-led Impact Management Working Principles, our activities are based on transparency, measurability, and accountability. An annual Impact Report, subject to assurance audits, is published.
- A member of the Global Impact Investing Network (GIIN), the bank broke new ground in this area in 2024. Seçil Yıldız, Deputy General Manager responsible for Sustainability, was elected to the GIIN Advisory Board, thus increasing the bank's visibility in the international impact investing arena.
- It has strengthened its commitments to transparency, responsibility and sustainability within the framework of the UN Global Compact and UNEP FI Responsible Banking Principles and has actively participated in the working groups of these structures.
- Within the scope of its memberships in SKD Türkiye and ERTA, it has continuously improved its institutional capacity with the World Business Council for Sustainable Development and integrated reporting communities.

Field Practices and Institutional Development

- Through consultancy-supported technical assistance projects carried out in cooperation with the German Development Bank (KfW), the Impact Management Systems have been enhanced with a more innovative and dynamic structure.
- Environmental and social risk assessment processes have been made more systematic and effective on a project basis, and monitoring activities supported by external consultancy firms have been expanded.
- Technical assistance components have been implemented for projects focusing on women's and youth employment, support for vulnerable groups, local development, and social inclusion.

Through all these activities, TKYB places an impact-oriented, fair, and inclusive development approach at the core of its financing strategy, implementing ESG-focused investments on systematic, internationally aligned, and measurable foundations.

Climate-Focused Investments and Financing

TKYB plays a proactive role in combating climate change, prioritizing projects with significant environmental impact in line with low-carbon development and climate resilience goals. In 2024, the Bank continued to channel strong financing mechanisms toward investments that contribute to its net-zero emissions vision.

TKYB carries out its climate finance activities under the Sustainable Finance Framework (2022), which was prepared in alignment with the ICMA Green and Social Bond Principles and the LMA Loan Principles. This framework is underpinned by the principles of transparency and accountability, providing a high level of confidence to investors and stakeholders alike.

Strategic Investments in the Fight Against Climate

2024 yılı boyunca Bankamız, iklim değişikliğiyle mücadeleye doğrudan katkı sağlayan birçok yatırım ve finansman programını uygulamıştır:

- A carbon emission reduction project for the industrial sector, worth a total of USD 400 million, was implemented with the World Bank.
- In collaboration with the CTF and the World Bank, investments worth USD 315 million in distributed solar energy and battery storage systems were supported.
- The TIERP thematic loan aimed to reduce industrial greenhouse gas emissions and air pollution; this loan became the first thematic funding to contribute to Türkiye’s net zero carbon targets.
- The USD 200 million “Green 4” loan agreement with JBIC is directed towards renewable energy projects.
- Within the scope of ESMAP, a feasibility grant support of 350 thousand USD was provided for the measurement of geothermal potential.

These investments have made significant contributions not only to emission reductions but also to increasing climate adaptation capacity and supporting energy supply security.

Technical Assistance Program on Gender Equality

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

Within the scope of the Sustainable Eurobond issued in collaboration with the French Development Agency (AFD), our Bank launched the "Gender Equality Technical Assistance Program" in 2023. Through this program, a comprehensive gender strategy was developed to be implemented both within the Bank's internal operations and in its engagements with clients. Additionally, a system aligned with Gender Equality Analysis and the OECD Development Assistance Committee classification was established to integrate gender considerations into the impact assessment processes of projects financed by TKYB. The Bank aims to embed the concept of equality more deeply into its activities and to lead efforts to reduce inequalities by promoting this approach among its stakeholders.

In this context, a detailed analysis and corresponding actions were defined regarding the Bank's internal and external practices on gender equality. The implementation of these actions was supported by the Technical Assistance Advisor, Frankfurt School of Finance & Management.

As a development bank committed to sustainable finance, TKYB is strengthening its commitments to women's empowerment and seeks continued support in this area under the AFD-funded Technical Assistance Program.

While financing SDG-aligned investments is a powerful tool in itself, the inclusion of dedicated technical assistance has enabled TKYB to effectively implement a holistic gender strategy across both internal operations and client-facing activities. It has also facilitated the establishment of a project evaluation system that aligns with the OECD Development Assistance Committee's classification for gender impact.

The report prepared under the Technical Assistance Program summarizes the activities carried out during the reporting year, along with the outcomes achieved or targeted, as outlined below:

1 Assessment of the Bank's Internal and External Processes

- A comprehensive gap analysis was conducted on TKYB's existing practices focused on women's empowerment across its internal and external processes.
- As a result of this analysis, a Situation Assessment Report and an Action & Strategy Plan were developed to enhance the Bank's current procedures in this area.

2 Quantitative Improvements Identified Through the Gap Analysis

- The gap analysis revealed improvement needs in 17 areas within TKYB's internal processes and 30 areas within its external processes.
- Actions identified for more than 30 of these areas have been rapidly implemented, while efforts are ongoing for the remaining items.

3 Training and Capacity Building

- Various training programs have been organized for our Bank's employees, including Gender Equality and Reporting Training, a Gender Equality Workshop, and a Gender and Equal Opportunity Webinar. In total, approximately 140 employees have participated in these sessions.
- Additionally, an online Gender Equality Awareness Workshop was held for the Bank's clients, with around 130 companies invited to attend.

4 Investment Projects and OECD DAC Gender Marker

- TKYB has conducted comprehensive gender analyses in its investment projects and has become the first and only institution in Türkiye to adopt the OECD DAC Gender Marker framework.
- Goals related to women's empowerment have been integrated into the projects for implementation throughout the loan period, and corresponding actions have been defined.

5 Continuous Improvement and Executive Oversight

- Through these programs, which are closely monitored by TKYB's senior management, the Bank's processes have been enhanced with the aim of increasing employee competency levels.
- Regularly followed by AFD and FS, this initiative aspires to serve as a best practice example at the national level and aims to ensure the integration of international developments into the Bank's processes.

AFD Text

As part of the Technical Assistance, a tool was developed to support the Bank in reporting in alignment with the OECD DAC Gender Equality Policy Marker. In 2019, the OECD published the document "Development Finance for Gender Equality and Women's Empowerment" for Official Development Assistance (ODA) allocated by OECD member countries. This document makes a significant contribution to financing gender equality and women's empowerment in developing countries. The Policy Marker, one of the most widely used frameworks among international funders, serves as a guiding reference for the sector.

Integrating the developed analysis process into its Environmental and Social Impact Assessment framework, TKYB applied the OECD DAC Gender Marker and conducted detailed gender equality analyses within the scope of the 59 projects assessed in 2024. As of September 2024, 27 projects have undergone a comprehensive gender evaluation. The resulting scoring table is presented below.

Number of Projects Assessed Using the OECD DAC Gender Marker	2024
DAC 0 (Not Targeted)	0 ✓
DAC 1 (Significant Level)	27 ✓
DAC 2 (Principal Level)	0 ✓

DAC 2:
Principal Level – A project is rated as "DAC 2" when the gender dimension is systematically integrated into all stages of the process, including problem identification, solution design, implementation methodology and approach, stakeholder analysis, definition of objectives, outcomes, outputs and activities, formation of the implementation and management team, budgeting, monitoring and evaluation processes, and policy dialogue. The primary objective of projects in this category is to reduce gender inequalities.

DAC 1:
Significant Level – A project is rated as "DAC 1" when it reflects how gender issues and dynamics may influence programming. Gender considerations are integrated into specific activities or at certain stages of the program lifecycle. Although reducing gender inequalities is not the primary or overarching objective, it remains a significant and prioritized goal.

DAC 0:
Not Targeted Level – A project is rated as "DAC 0" when, upon assessment against the marker, it is found that existing gender differences and dynamics (such as power relations between men and women) and their potential impact on the women and men involved in or benefiting from the project are not identified or addressed.

Within the scope of the Technical Assistance Program implemented in cooperation between our Bank (TKYB) and the German Development Bank (KfW), consultancy services were provided by a consortium composed of GFA Consulting Group GmbH and Mott MacDonald Danışmanlık Mühendislik Ltd. Şti. (Mott MacDonald Türkiye). The contract for these consultancy services was signed between our Bank and the consortium on August 15, 2022, and the services under the agreement were completed as of December 31, 2024.

Aligned with the objective of strengthening the Bank's Environmental and Social Management capacity, the technical assistance provided through the grant agreement with KfW has enabled our Environmental and Social Management System to evolve into a more innovative and flexible structure. With the acceleration of these efforts starting in 2023, Environmental and Social Risk Assessment processes have been significantly improved.

The program concluded in 2024, during which the following key activities were carried out:

1 Strengthening of Environmental and Social Impact Assessment (E&S IA) Processes

- The Environmental and Social (E&S) Impact Assessment processes used within TKYB's internal operations were comprehensively analyzed. As a result of this analysis, existing gaps were identified, and improvement recommendations were developed.
- In addition, credit evaluation reports and E&S Impact Assessment Tools (for Project, Working Capital Loan, and Corporate-level assessments) were developed and put into use.

2 Sub-Management Plans and Related Documents

- Based on the impact assessments, draft versions of the necessary sub-management plans such as the subcontractor management plan, stakeholder engagement plan, and environmental and social management plans have been prepared.
- These drafts were shared with independent third-party consulting firms to support the monitoring and management of environmental and social impacts.

3 Terminology Update and Policy Integration

- The terminology used in the Environmental and Social Impact Assessment process has been updated and integrated into TKYB's existing policies and procedures.

4 Training and Capacity Building

- Trainings have been provided to TKYB's Sustainability Department on key sustainability topics such as biodiversity, climate change, and supply chain management.

5 Review of Policies and Procedures

- Gaps in TKYB's existing environmental and social policy and credit evaluation process have been identified and revised for alignment with international standards. The updated policies and procedures have been brought to the final stage for senior management approval.

This program has significantly contributed to enhancing our Bank's capacity to manage environmental and social risks more effectively and to strengthen the sustainability of financed projects. In addition, by ensuring alignment with evolving international standards, TKYB has further improved its environmental and social impact management processes.

Through the consultancy services delivered under the Technical Assistance Program, support was provided for the capacity development of the Bank's Engineering Unit. In this context, consultancy was obtained to improve the technical foundation for evaluating climate-friendly investments and sector-specific innovative decarbonization technologies. Discussions were held with sector representatives, benchmarking was conducted using good practice examples, and training sessions were organized on the use of software required for technical analysis.

The consultancy services funded by KfW under the Technical Assistance Program were structured under four main work packages and 21 subtopics. Of these, consultancy services covering 12 subtopics under two main work packages, selected in line with the scope of TKYB's Engineering Unit, have been completed. A summary of these services is presented on the following page.

1. Development of a Procurement Tool Based on World Bank Procurement Guidelines

A tool has been developed to evaluate the existing procurement practices of clients involved in projects financed by TKYB in line with World Bank standards. Based on the evaluation by TKYB's Engineering Unit, improvements have been made to the developed procurement tool.

2. Enhancement of Procurement Procedures

Documents summarizing the general principles of TKYB's and its clients' procurement practices, as well as the expectations from clients regarding the procurement assessment tool, have been developed. In addition, four staff members from TKYB's Engineering Unit completed the Procurement Specialist Certification Program under an international procurement certification scheme and received their certificates.

3. Trainings on Innovative Geothermal Energy, Green Hydrogen, Energy Storage, and Battery Systems

Trainings were provided on technology definitions, benefits, risks, capital expenditures (CAPEX), and operational expenditures (OPEX) for geothermal energy, green hydrogen, energy storage, and battery systems. The applicability of these technologies within the context of Türkiye was also covered.

4. PVSyst Software:

Three (3) PVSyst software licenses were purchased and installed on designated computers for TKYB. This software, used for the technical evaluation of Solar Power Plant (SPP) investments, was supported with hands-on training sessions to enhance its utilization.

5. Training on Decarbonization Technologies in the Cement Sector:

Training sessions were delivered covering both existing and emerging technologies relevant to the cement sector, with a focus on the current conditions and decarbonization needs of the cement industry in Türkiye.

6. Training on Decarbonization Technologies in the Iron and Steel Sector:

Training sessions were conducted to provide insights into the current conditions and decarbonization needs of the iron and steel sector in Türkiye, covering both existing and emerging technologies. These trainings enhanced the capacity of TKYB's Engineering Unit staff by equipping them with the knowledge to anticipate and evaluate forthcoming changes in Türkiye's iron and steel industry.

7.R Modeling Training

Practical training sessions on R modeling were organized to support risk assessment processes.

8. Development of Life Cycle Assessment (LCA) Guidelines for Solar PV Panels and Wind Turbines:

Information was provided on the development of guidelines related to life cycle emissions for solar and wind power plants.

9. Development of Standard Calculation Tools for Energy Efficiency Measurements:

Excel-based calculation tools were developed for various energy efficiency measurement needs. By focusing on resource efficiency and decarbonization methodologies, these tools enhanced the technical capacity of TKYB's Engineering Team.

10. Meetings with Industry Associations:

Meetings held with associations representing the cement, steel, glass, and aluminum manufacturing sectors provided the Bank with valuable insights into the current state and challenges of Türkiye's manufacturing industry.

11. Training on Climate Change and Related Risks for Different Project Types and Risk Mitigation Methods:

Training was provided on a tool that presents climate change risks across various regions in Türkiye, along with corresponding mitigation methods and additional data requirements needed for comprehensive project evaluations.

12. International Study Tour:

A technical field visit to Germany was organized with the participation of three members from TKYB's Engineering Unit. These site visits enabled direct observation of innovative technology applications and facilitated comparisons with existing systems in Türkiye. In addition, the tour included evaluations on subtopics such as practical implementation challenges, comparisons of investment costs, and factors influencing operating expenses.

Through the consultancy services provided under the Technical Assistance Program funded by KfW, capacity-building efforts for our Bank's Engineering Unit have been supported. Within this scope, the Engineering Unit has been equipped to manage processes more effectively and to develop expertise in relevant sectors and subject areas. Additionally, the program aimed to ensure alignment with evolving technologies and international standards.

04

We Produce Added Value for a **Strong Future**

We create economic value with the financing we provide to projects that support development; we institutionalize sustainability with our model that prioritizes environmental and social benefits.

OUR VALUE CREATION MODEL

Financial Capital
- Sectoral and Economic Developments
- Inclusive Growth and Financial Performance

Human Capital
- Diversity and Inclusion
- Employee Development and Welfare
- Career and Performance Management
- Safe and Healthy Work Environment

Natural Capital
- Energy and Emission Management
- Net Zero Economy
- Water Management
- Waste Management

Intellectual and Production Capital
- Digital Transformation and Innovation
- Cybersecurity and Data Privacy

Social Capital
- Customer Satisfaction
- Stakeholder Capitalism and Transparency
- Strong Value Chain Management
- Social Responsibility and Contribution

TKYB Value Creation Model

TKYB Line of Activity	Scope of Activity	Our First Level Value Chain	Our Second Level Value Chain	Pre Effects	Strategy
Financial Capital	Türkiye Development Fund (TDF) – Development Banking	• Development Finance Institutions • Clients • Development Fund Management	• Human Resources Management • Project Management • Technology Management • Infrastructure Management	• Financing resources and international loans obtained through various funds become more meaningful. • Investments in sustainable, renewable energy, and environmental projects. • Within the framework of profitability-focused efforts, business operations and cost management are conducted with transparency and opportunity in mind.	**Vision:** To be the leading bank in sustainable development **Mission:** To be the leading bank in sustainable development **Responsible Banking:** We act with sensitivity toward the environment, society, and the world we live in, in line with the Principles of Sustainable Development and the Responsible Banking approach. We maintain a strong sense of social responsibility and use our resources efficiently and effectively. **Solution-Oriented Approach:** We remain attentive to the needs of our stakeholders and the environment within the framework of Sustainable Development Principles and Responsible Banking. We continuously seek practical and effective solutions while maintaining our awareness of social responsibility and efficient resource use. **Reliability:** We establish open, long-term relationships with all our stakeholders based on ethics and trust. Our decisions are guided by objective criteria. **Creating Value for Stakeholders:** We adopt a comprehensive and participatory management approach and strive to create value for all our stakeholders with our dynamic, innovative, and socially and environmentally responsible banking philosophy. **Innovation:** We lead positive change through innovative solutions, creating value not only for today but also for the future.
Intellectual & Manufactured Capital	Development Banking Investment Banking	• Auditors and Service Providers • Customers • Employees	• Process Management • Technology Management • Infrastructure Management	• Improving operational processes through digital transformation and information security investments • Development of quality, environment, occupational health and safety management systems • New policies and strategies for sustainable financing and impact management	
Human Capital	Türkiye Development Fund (TDF) – Development Banking	• Senior Management • Employees • Service Providers	• Human Resources Management • Administrative and Management Support	• Comprehensive training programs and continuous learning opportunities for employee development • Efforts to build a diverse and inclusive workforce and practices focused on employee satisfaction • Initiatives to provide a good work environment and increase employee loyalty	
Social Capital	Türkiye Development Fund (TDF) – Development Banking	• Civil Society Organizations • Employees • Senior Management Development Finance Institutions	• Human Resources Management • Administrative and Management Support • Process Management	• Social responsibility projects and activities that benefit society • Collaboration with national and international organizations in line with sustainability goals • Transparency and effective communication policies to strengthen relationships with stakeholders	
Natural Capital	Türkiye Development Fund (TDF) – Development Banking	• Development Finance Institutions • Customers	• Administrative and Management • Support Process Management • Project Management	• Investments in renewable energy projects and environmental sustainability goals • Commitments to reduce the use of fossil fuels and increase renewable energy sources • Sustainable Eurobond issuances and green bond financing for environmental projects	

TKYB Value Creation Model

Capital Type	Post Effects	Created Value	Relevant Material Topics	Contributed SDG's
Financial Capital	• In 2024, over US$2.5 billion in loans related to sustainable development goals were provided. • Direct investments in the entrepreneurial ecosystem reached US$40 million. • By the end of 2024, sustainability-themed loans accounted for 96% of the total loan portfolio. • In 2024, the bank's revenue increased by 10% compared to the previous year. • The capital adequacy ratio was 17.98%, well above the legal limit of 12%.	• Financial stability and growth have been achieved thanks to its strong financial structure and profitability-focused strategies. • Investments in sustainable development projects have supported economic growth and played a role in environmental sustainability. • Long-term value has been created by increasing financial resilience through national and international collaborations.	• Corporate Performance within the Framework of Sustainable Finance • Stakeholder Capitalism and Transparency	
Intellectual & Manufactured Capital	Improvements to management systems have been implemented through the adoption of the following certifications: ISO 9001 Quality Management System, ISO 10002 Customer Satisfaction Management System, ISO 14001 Environmental Management System, ISO 27001 Information Security Management System, ISO 27701 Personal Data and Privacy Information Management System, and ISO 45001 Occupational Health and Safety Management System.	• Digital transformation and information security projects have increased the Bank's operational efficiency and security. • Improvements in quality management systems have supported customer satisfaction and operational excellence. • Sustainable financing strategies have enhanced the Bank's market competitiveness and innovative capacity.	• Digital Transformation and Innovation • Cybersecurity and Data Privacy	
Human Capital	• A total of 12,250 training hours were provided for 348 employees • Average training per employee: 35 hours • Female employee ratio: 42.5% • Employee turnover rate: 16.8% • Anti-bribery and anti-corruption training delivered to 85 managers and 271 employees • High employee satisfaction, evidenced by receiving the Great Place to Work Certificate for the third consecutive year	• High levels of education and continuous development opportunities have strengthened the Bank's human capital and enhanced employee competencies. • Diversity and inclusion have increased organizational impact by enhancing employee satisfaction and loyalty. • A strong workforce has supported the Bank in achieving its long-term strategic goals.	• Employee Development and Wellbeing • Diversity and Inclusion • Ethical Conduct, Human Rights, and Anti-Corruption	

TKYB Value Creation Model

Capital Type	Post Effects	Created Value	Relevant Material Topics	Contributed SDG’s
Social Capital	• For the past three years, the proceeds from the annual Charity Bazaar have been allocated to support needs in earthquake-affected regions through foundations and associations. In 2024, the funds were once again used for this purpose. • To address the needs in the earthquake zone and support local businesses, employee contributions were mobilized in response to requests received via social solidarity foundations. The requested supplies were purchased directly from local companies and delivered to the requesting foundations. • As part of the Bank’s 50th anniversary, the establishment of a 50th Anniversary Memorial Forest began with the planting of 5,000 saplings. • KAÇUV Umut Kafe was hosted at the Bank’s Head Office to provide support to children with cancer and their families. • 50 employees from the Development and Investment Bank of Türkiye participated in the Istanbul Marathon, raising donations in support of Koruncuk Foundation to help fund the education of girls. • On March 8, International Women’s Day, gift packages prepared by the Community Volunteers Foundation (TOG) were distributed to female employees, contributing to the foundation’s efforts.	• Social responsibility projects and donations have strengthened the Bank's social capital by increasing its positive impact on communities. • National and international collaborations have increased stakeholder trust, and the Bank's contribution to sustainable development goals has been strengthened.	• Stakeholder Capitalism and Transparency • Diversity and Inclusion • Customer Satisfaction	5, 10, 16, 17
Natural Capital	• By financing 7% of Türkiye’s energy capacity, significant contributions have been made to renewable energy projects. • Through environmentally friendly projects and green financing, 4.2 million tons of CO_2 emissions have been avoided. • The Bank has initiated the process of developing sustainability targets in line with the Science Based Targets initiative (SBTi). • TKYB has actively participated in the Sustainalytics sustainability assessment and GRI reporting, ensuring transparent disclosure of its environmental and social impacts.	• The financing provided for renewable energy and environmentally friendly projects has contributed to the preservation of natural capital and the strengthening of environmental sustainability. • Data and reporting systems compliant with GRI and SBTi sustainability standards have been established, increasing transparency.	• Climate Change and ESG (Environmental, Social, and Governance) Focused Investments	7, 12, 13, 15, 17

Financial Capital

Sectoral and Economic Developments

Global Developments and Sectoral Expectations

As of 2024, the global economic outlook has been following a relatively stable trajectory, though remaining below historical averages. According to the IMF's January 2025 World Economic Outlook update, global growth is projected to reach 3.3% in both 2025 and 2026. This figure falls short of the 3.7% historical average recorded over the 2000–2019 period.

A divergence among countries stands out in the course of global growth: while upward revisions have been noted in the United States driven by strong domestic demand, growth forecasts for many advanced and emerging economies in Europe and Asia have been revised downward.

Indicator	2024	2025T	2026T
Growth Rate (%)	3.2	4	4.5
Foreign Trade Balance (Billion USD)	-82.2	-89.4	-94.6
Current Account Balance (Billion USD)	-10	-28.6	-25.6
Current Account Balance/GDP (%)	-0.8	-2	-1.6
Travel Revenues (Billion USD)	56.3	56.1	61.5
Change in Consumer Prices (%)	44.4	17.5	9.7
Unemployment Rate (%)	8.7	9.6	9.2

Year	Global Growth Rate (%)	Developed Countries Growth Rate (%)	Developing Countries Growth Rate (%)	Global Trade Volumes (% change)	Oil Prices (Dollar, Barrel) (% change)	Global Inflation (%)
2024	3.3	1.8	4.3	3.8	-1.8	5.7
2025T	2.8	1.4	3.7	1.7	-15.5	4.3
2026T	3	1.5	3.9	2.5	-6.8	3.6

- While the US economy is projected to grow by **2.7%** due to strong consumer spending, the Eurozone growth forecast for 2025 remains at **1.0%** due to weak domestic demand and ongoing geopolitical uncertainties.
- Growth expectations in China were revised down to **4.6%,** a limited increase due to the slow recovery in the real estate market and the fragility of consumer confidence.
- Growth in India continues to be strong and is projected at **6.5%** for 2025.

Globally, inflationary pressures are observed to be gradually easing. Headline inflation is expected to decline to 4.2% in 2025 and to 3.5% in 2026. While developed economies are anticipated to reach their monetary policy targets more swiftly, inflation in emerging markets continues to exhibit a more persistent trend. In particular, sustained price increases in the services sector and inflation expectations remaining above targets in some regions are prompting central banks to maintain a cautious stance in monetary policy.

Although global financial conditions generally appear supportive, regional divergences are becoming increasingly apparent. In the United States, strong economic growth and interest rate expectations are driving the appreciation of the U.S. dollar, thereby increasing pressure on emerging market currencies. This dynamic is among the key factors influencing capital flows and investment appetite, especially in countries that are dependent on external financing.

Rising uncertainties in trade and fiscal policies have emerged as key factors directly affecting global investment and production decisions. Following the elections held in many countries after 2024, uncertainty regarding the policy preferences of new administrations has increased. In addition, geopolitical tensions—particularly the ongoing conflicts in the Middle East and their impact on energy supply—have contributed to a cautious outlook in global markets.

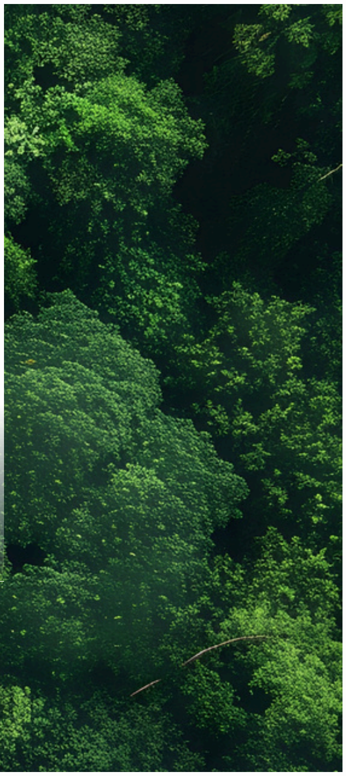
In this environment, growth expectations for global trade volume have been revised downward. In particular, uncertainties surrounding trade policies have negatively affected investment plans, pointing to a limited recovery in the industrial sector. On the other hand, investment opportunities in strategic sectors such as digitalization, green transformation, healthcare, and technology are expected to be among the key drivers of growth in the coming period.

In the medium-term outlook, risks are considered to be tilted to the downside. Rising protectionism in trade, concerns over public debt sustainability, supply chain security issues, and vulnerabilities in labor markets are increasing pressures on economies. In this context, carefully designed fiscal consolidation policies, acceleration of structural reform processes, and strengthening of multilateral cooperation stand out as priority policy areas to support sustainable growth.

Year	Global Growth Rate (%)	Developed Countries Growth Rate (%)	Developing Countries Growth Rate (%)	Global Trade Volumes (% change)	Oil Prices (Dollar, Barrel) (% change)	Global Inflation (%)
2023	3.3	2.6	4.4	0.7	-16.4	6.7
2024	3.2	1.7	4.2	3.4	-1.9	5.7
2025 (projection)	3.3	1.9	4.2	3.2	-11.7	4.2

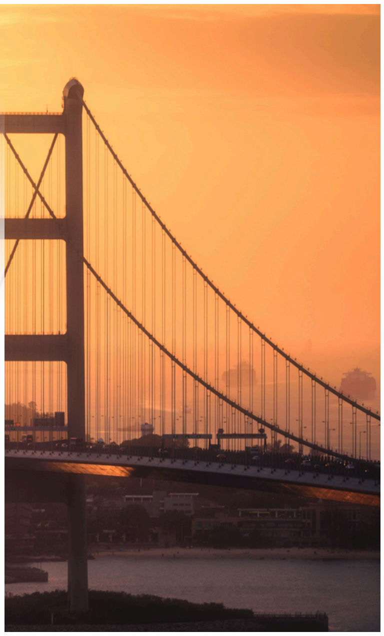
*Source: IMF World Economic Outlook Report, January 2025

Developments in Türkiye and Sectoral Expectations



In 2024, the Turkish economy entered a rebalancing phase driven by monetary tightening and fiscal discipline policies, achieving a significant transformation in its growth composition. The recovery observed in investments and net exports, coupled with a slowdown in private consumption during the first half of the year, indicated a more balanced structure among demand components.

The economy recorded a strong growth rate of 5.4% in the first quarter of 2024, while the impact of disinflationary policies led to a slowdown to 2.4% in the second quarter. In the third quarter, growth moderated further to **2.2%**, before rising again to **3%** in the final quarter. Overall, Türkiye's economy achieved an annual growth rate of **3.2%** in 2024. This balanced growth pattern, together with policies aimed at price stability, supported the decline in inflation.



As a result of policies implemented to combat inflation, annual inflation fell to 44.4% by the end of 2024, marking a 20-point decline. In addition to this decrease, there was a significant improvement in the underlying trend of inflation and in market expectations. The tight stance in monetary policy and the stable course of the exchange rate enhanced predictability in pricing. In line with these developments, the Central Bank of the Republic of Türkiye (CBRT) reduced the policy rate from 50% to 47.5% in December.

A positive trajectory was also observed in the current account balance in 2024. The recovery in global trade, strong performance in service revenues, and the downward trend in imports contributed to the improvement in the current account. Looking ahead, the effects of tight monetary and fiscal policies are expected to sustain economic rebalancing, strengthen price stability, further improve inflation expectations, and preserve the gains in external balance.

Indicator	2023	2024	2025
Growth Rate (%)	5.1	3.2	4
Foreign Trade Balance (Billion USD)	-106.3	-82.2	-89.4
Current Account Balance (Billion USD)	-39.9	-10	-28.6
Current Account Balance/GDP (%)	-3.5	-0.8	-2
Travel Revenues (Billion USD)	50	56.3	56.1
Change in Consumer Prices (%)	64.8	44.4	17.5
Unemployment Rate (%)	9.4	8.7	9.6

*Sources: MTP (Medium Term Program) 2025-2027

Inclusive Growth and Financial Performance

Embracing sustainable development as its mission, our Bank continued to provide resources to the real sector in line with our country's development priorities throughout 2024. Our total assets grew by 13.9%, reaching TRY 153.6 billion, while the loan portfolio rose to TRY 94.8 billion. The share of loans in total assets remained steady at 62%. Our Bank closed 2024 with a net profit of TRY 6,168 million, and the capital adequacy ratio stood at 17.98%, once again affirming our strong capital structure.

In 2024, TKYB signed external funding agreements with international institutions totaling approximately USD 1 billion, financing projects in strategic areas such as renewable energy, climate finance, industry, food security, and disaster resilience. Under the umbrella of TKF, 11 direct investments were made, channeling USD 40 million into the entrepreneurship ecosystem, while the total fund size reached TRY 5.1 billion. In addition, within the scope of investment banking, a TRY 3.8 billion public offering was executed, and with the issuance of a TRY 700 million wheat price-linked sukuk, a market first was achieved.

For more detailed information, you can review the Responsible Banking for a Sustainable Future section.

Financial Performance

TKYB maintained its consistent growth in the sector in 2024 with its strong resource structure, low delinquency rate (0.8%), and high return on assets and equity (4.3% and 38%). We are determined to further advance our development and investment banking activities in the coming period, focusing on sustainable financing.

For more detailed information on strong growth and profitability, you can review the 2024 Activity Report.

Indicator	2022	2023	2024
Total Revenues From its Core Business Activities (million TL)	3.352	7.305	11.196
Economic Value Distributed (milyon TL)	1.019	1.664	2.448

Risk Management and Sustainability of Economic Performance

TKYB manages its risk management processes through a holistic approach aligned with its objectives of economic stability and sustainable performance. The Bank continuously enhances its risk measurement and reporting techniques, quantifying the current and potential impacts of risks and shaping its activities within the principle of manageability. Realizations against established risk limits are regularly evaluated at the management level, and preventive actions are taken in areas deemed necessary.

Throughout 2024, economic, financial, and environmental risks were monitored on a daily, weekly, and monthly basis by the Risk Management Department. Comprehensive analyses were conducted on all risk types, particularly interest rate and foreign exchange risks. These efforts have supported the Bank in maintaining its capital adequacy, liquidity, and credit quality, thereby ensuring the continuity of its financial resilience.

For more detailed information, you can visit the Risk Management Policies section of the 2024 Activity Report.

Our bank has completed its processes for identifying, measuring, and managing climate risks within the framework of the TCFD (Task Force on Climate-related Financial Disclosures). In this context, we analyzed both transition and physical climate risks and conducted a detailed risk and opportunity identification study, taking into account factors such as regulatory cost increases, climate-related disruptions, and sector-specific credit risk.

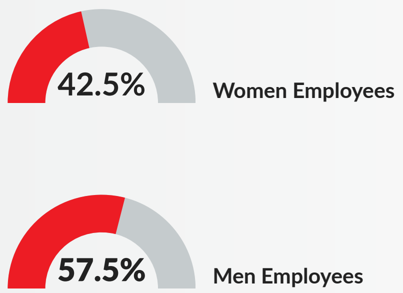
For more detailed information, please refer to the Climate-Related Risks and Opportunities section or the TSRS reporting annex.

Human Capital

İuman capital refers to the collective knowledge, skills, experience, and competencies of individuals working within an organization. These attributes shape not only employees' contributions to performance and success but also their influence on corporate culture and sustainable achievement. At TKYB, human capital is assessed through a holistic approach that considers not only employees' professional development but also their social and psychological well-being. In this regard, policies and strategies that foster continuous development and strengthen organizational commitment are actively implemented.

With the responsibility of being the first institution in the Turkish finance sector to implement a Green Human Resources Policy, TKYB aims to build a workforce that embraces environmentally friendly practices and internalizes a culture of sustainability.

As of 2024, the Bank's total number of full-time employees reached 348, reflecting progress in human capital development in alignment with its growth strategies.



Including 36 subcontracted employees who support operational needs, the Bank provides both direct and indirect employment, thereby deepening its social and economic impact. In 2024, TKYB continued to prioritize employee satisfaction, development, and diversity, maintaining its investments in human capital.

In line with its commitment to employee satisfaction and engagement, the Bank once again earned the Great Place to Work® Certification in 2024 and was also recognized on both the Türkiye's Best Employers list and the GPTW Social Responsibility & Volunteering list, reaffirming its people-focused management approach.

Diversity and Inclusion

TKYB bases its human resources policies on the principle of equal opportunity and remains committed to providing its employees with a fair, inclusive, and sustainable working environment. The Bank applies the principle of equal opportunity throughout all processes, including recruitment, career development, performance evaluation, training, and remuneration; and provides a safe and supportive work environment for its employees regardless of religion, language, race, or gender.

The Bank's human resources practices are shaped in line with the principles of the International Labour Organization (ILO) and the United Nations Sustainable Development Goals. In this regard, the Equal Opportunity Policy that has been established is fully aligned with both national and international standards.

As of the end of 2024, the total number of employees within the Bank reached **348**, of which **42.5%** are women. In particular, the ratio of women in Deputy General Manager positions stands at **57%**, demonstrating the Bank's strong commitment to gender equality. Thanks to a strategic employment policy that prioritizes investment in young talent, **31%** of newly hired employees are under the age of 30. Operating in its head offices in Ankara and Istanbul, the Bank promotes diversity by combining the expertise of experienced professionals with the dynamism of young talent.
In conclusion, TKYB, with its inclusive work culture and human resources policies based on equal opportunity, is building a workforce capable of meeting not only today's needs but also those of the future.

Türkiye Kalkınma ve Yatırım Bankası prioritizes providing a working environment that respects employee rights and human rights and places special emphasis on gender equality. The Bank, which actively encourages female employment, operates with the understanding that sustainable development is achievable only through greater participation of women in the labor market. Within this scope, policies that uphold gender balance are being implemented, and practices aimed at increasing female employment are prioritized.

In its operations in Istanbul and Ankara, the Bank adopts merit-based equal opportunity in recruitment, performance evaluation, career planning, training, and development processes; while promotions and role changes within the organization are based on objective criteria such as experience, individual performance, competency assessments, written examinations, and interviews. Performance management processes are structured in line with these standards, and full compliance is ensured with the Bank's Human Resources Regulation and the relevant legal requirements.

Diversity and Inclusion

The Bank's supplier code of conduct covers a wide range of areas, from maintaining fundamental workplace standards to health and safety, wage policies, and trade union rights. The prevention of practices such as forced labor, child labor, discrimination, harassment, and abuse is strictly included within these principles. Türkiye Kalkınma ve Yatırım Bankası expects full compliance with these ethical rules from all its suppliers and regards such compliance as an indispensable condition for the sustainability of cooperation.

In conclusion, TKYB, with its inclusive work culture and human resources policies based on equal opportunity, is building a workforce capable of meeting not only today's needs but also those of the future.

Employee Development and Welfare

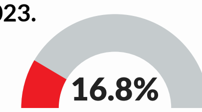
TKYB regards its human capital as its most valuable asset and considers developing the knowledge, skills, and competencies of its employees a corporate priority. In this regard, the principle of equal opportunity is meticulously applied in recruitment processes, and merit-based approaches are pursued to bring in a qualified workforce aligned with the Bank's vision. Accordingly, Türkiye Kalkınma ve Yatırım Bankası prioritizes the principle of equal opportunity in its recruitment processes and carries out comprehensive efforts to attract, develop, and train qualified human capital that aligns with the Bank's vision and mission and possesses the necessary competencies. The employment of new graduates is supported under the guidance of experienced employees, thereby contributing to the cultivation of a qualified workforce that will drive the country's development.

An inclusive working environment is provided where employees can fully utilize their talents, and development-oriented practices are implemented to enhance employee satisfaction. In this context, fringe benefits such as meal cards, private health and life insurance, paternity leave, and bonuses are offered to support employee welfare. Life insurance coverage is provided exclusively to the Bank's employees, while health insurance covers both Bank employees and the dependents of subcontracted staff. In addition, SGK and private pension (BES) contributions are made in compliance with legal regulations.

To ensure workforce continuity and strengthen employee commitment to the institution, training and development programs are organized for all levels. Orientation programs are implemented to help new employees adapt quickly; regular surveys are conducted to collect employee feedback and suggestions, monitor satisfaction levels, and plan necessary improvements. This process is further supported by motivational events and internal communication activities, contributing to stronger employee engagement.

Turnover rates are regularly monitored across various breakdowns, and action plans are developed based on this data. Thanks to positive working conditions, there are no significant fluctuations in employee numbers.

In 2024, a turnover rate of 16.8% was achieved, maintaining a similar level of success as in 2023.



In order to enhance employee satisfaction and engagement, Türkiye Kalkınma ve Yatırım Bankası regularly conducts an Employee Engagement Survey, an Internal Customer Satisfaction Survey, and the Great Place to Work® (GPTW) Survey. Based on the feedback obtained from these surveys, improvement actions are planned and implemented.

The Great Place to Work® Institute is an international research and consulting organization operating in the areas of corporate performance, workplace culture, and employee engagement. The Institute's approach emphasizes that organizations focusing on strong leadership, a positive work environment, and employee well-being are more successful in attracting and retaining talented human capital, which in turn positively impacts productivity and profitability. The GPTW Survey implemented at TKYB is carried out in line with these international standards and makes a significant contribution to developing a workplace culture that enhances employee happiness and organizational commitment.

Career and Performance Management

TTürkiye Kalkınma ve Yatırım Bankası has adopted a comprehensive training approach in line with its Training Management Procedure to support the individual and professional development of its employees. This procedure aims to promote organizational development in harmony with the Bank's strategic goals and policies and lays the foundation for building a culture of continuous learning that includes all employees.

Within the scope of the procedure, processes such as defining the main principles and methods related to training activities, identifying training needs, planning, implementation, evaluation, and maintaining training records are carried out systematically. The planning process at the end of each year is shaped based on the opinions and requests of all managers; job-specific professional and technical training needs are determined with feedback from senior managers of the relevant units. The development programs prepared in this direction are designed and implemented by the Human Resources Department, and trainings are delivered in line with periodically updated needs analyses.

Regular reporting is carried out in parallel with annual training planning, and budget tracking is performed based on these reports, followed by the necessary actions. In addition, to measure the efficiency of the trainings, employees' opinions and comments are collected through training evaluation surveys.

Most of the trainings have been delivered in online and in-class formats. Mandatory trainings, accessible to all employees, have been offered through the online training platform and completed by participants. In addition, memberships to various internationally recognized online training platforms have been obtained to provide training content tailored to the specific needs of the units.

In 2024, a total of **342 employees received 12,250 hours of training**. Training programs covering areas such as occupational health and safety, ethics, and career development play an important role in the career journeys of the Bank's employees.

In 2024, a total of **214** different training topics were delivered to support employee development, with an average of **35** training hours per person. Training programs covered multi-dimensional areas such as technical development, leadership, foreign languages, and sustainability. Additionally, in 2024, a "Leadership Program for Directors" was held with the participation of 19 directors, a separate leadership program for 19 managers, and a special "Micro MBA Certificate Program" for 19 high-potential employees.

Fifteen of our Assistant Specialists graduated from the MT Program after completing a total of 84 hours of training, comprising 11 different training modules.

Our bank implemented comprehensive programs in 2024 to support the development of employees at various levels:

- The "Leadership Program for Directors" was successfully completed with the participation of 19 managers.
- A special leadership development program was implemented for 19 principals with one-on-one coaching support.
- The Micro MBA Certificate Program, which lasted approximately 78 hours for 19 employees in the talent pool, was implemented in collaboration with the university; training was offered in both technical and personal development areas within the scope of the program.

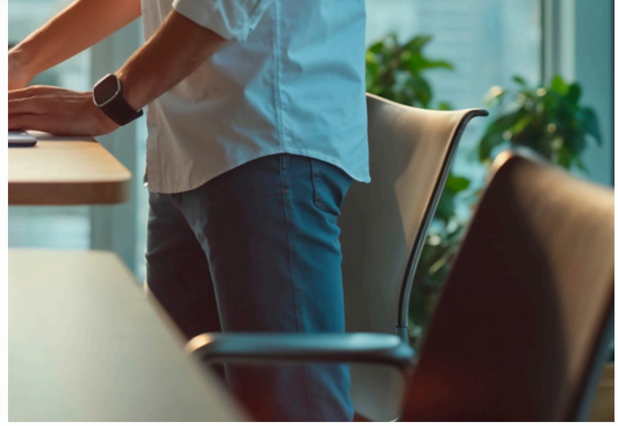
Assistant Specialist	MT Training Program
Senior Employees	Micro MBA Certificate Program
Managers and Directors	Leadership Development Program

The Bank manages the development plans of its employees in alignment with annual evaluation processes; training plans are shaped based on feedback from managers and coordinated by the Human Resources department. The effectiveness of trainings is monitored through employee evaluation surveys, ensuring 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; a competency-based promotion system strengthens employee motivation and engagement.

Operating in its offices in Istanbul and Ankara, the Bank adopts a merit-based approach in recruitment and promotion processes, making decisions based on experience, performance, competency assessments, and interviews. Performance evaluation systems are also structured around these fair and objective criteria. This framework enables employees to be supported and guided not only in their current roles but also in areas where they can grow according to their potential.

Remuneration and Fringe Benefits

TKYB aims to increase employee motivation and loyalty through a fair, transparent, and sustainable compensation system. The Remuneration Policy, approved by the Board of Directors, is based on role-based compensation and is updated based on individual performance, alignment with corporate goals, and market conditions.

When determining its remuneration policies, the Bank takes into account not only individual performance outputs but also inflation rates, sectoral wage trends, and macroeconomic developments. This approach enables the establishment of a balanced and predictable remuneration structure that promotes sustainable success.

In addition to monthly salary payments, our Bank provides bonus payments to employees. Furthermore, a performance-based annual bonus system is implemented once a year. This structure rewards employees according to their contribution to corporate objectives, fostering a performance culture aligned with the Bank's strategic goals.

The Remuneration Policy is built on the principles of equal pay for equal work and remuneration based on performance.

The Remuneration Committee meets at least once a year in accordance with the relevant regulations of the Banking Regulation and Supervision Agency and oversees the implementation of remuneration policies.

In addition to its remuneration system, the Bank provides an inclusive working environment and benefits aimed at enhancing the well-being of its employees. In this context,

- Daily needs are supported with the **meal card application.**
- **Private health insurance,** covers all bank employees and their dependents.
- **Life insurance** is provided to all bank employees.
- **Employees' transportation to the bank is supported with travel fees**
- **Marriage, birth and death assistance**

Safe and Healthy Work Environment

Türkiye Kalkınma ve Yatırım Bankası adopts an integrated and risk-based approach to quality, environment, occupational health and safety within the scope of its Integrated Management System. The Bank aims to proactively identify and manage potential risks across all operational processes, minimize environmental impacts, and ensure employee health and workplace safety at the highest level.

In this context, preventive and corrective practices are implemented to protect the health and safety of employees, and regular training sessions are provided to embed a safety culture at the institutional level. At the same time, business processes are continuously monitored and audited.

New employees undergo orientation programs conducted by designated officers, followed by basic occupational health and safety training. In addition, pre-employment medical examinations are carried out to assess suitability for the position, and regular OHS risk analyses are conducted starting from the recruitment stage. Through this systematic approach, both the physical suitability of employees and their presence in a safe working environment are ensured.

In 2024
652 hour OHS training
has provided.

The OHS Committee consists of an occupational physician, an occupational health and safety specialist, and six bank employees, and it operates under the chairmanship of the Head of the Human Resources Management Department. The Committee's activities are reported directly to the Deputy General Manager; identified risks and proposed solutions are reviewed in regular meetings and shared with all employees.

Employees' health conditions are closely monitored, and medical support is provided when necessary. Physical injuries (such as slips, falls, and ergonomic strains) and psychosocial risks (such as stress, workload, and burnout) are carefully managed, and supportive services are offered in these areas. Through regular training sessions, employees are informed about risk identification, the use of personal protective equipment, and preparedness for emergencies.

In addition, employees are provided with the necessary protective equipment to perform their duties safely, and proper usage is encouraged. The Bank develops procedures for fire, evacuation, and other emergency situations and provides training to employees on how to act in such circumstances. To ensure continuous improvement of occupational health and safety processes, employees' opinions are actively sought, and processes are carried out with a participatory approach.

Throughout 2024, the Bank's occupational health and safety practices have been shaped around the following key elements:

Strategy and Management System

The bank successfully completed its Integrated Management System audit, which resulted in zero non-compliance throughout the year, and continued to systematically monitor its OHS performance. The OHS Board, comprised of an occupational physician, an OHS specialist, and six bank employees, operates under the chairmanship of the Head of the Human Resources Management Department. The Board meets regularly to identify potential risks, develop solutions, and share decisions with employees.

Training and Awareness

All new employees receive basic OHS training during their orientation. In 2024, a total of 936 hours of occupational health and safety training were provided to both male and female employees. The training included identifying potential risks, emergency procedures, and using personal protective equipment. Additionally, employees were given drills on fire, evacuation, and crisis scenarios, helping to develop their crisis management skills.

Physical and Psychosocial Health

Our bank prioritizes not only physical safety but also the mental health of its employees. Psychosocial support mechanisms have been established to address factors such as workload, ergonomics, and emotional exhaustion. The most common occupational risks include slips, falls, and ergonomic problems related to prolonged computer use. During the 2024 reporting period, there was no fatal or high-risk injury, and only one workplace accident was recorded.

Continuous Improvement and Participation

Employee participation is essential for improving OHS processes. Employees can report potential hazards anonymously or by name; these reports are quickly evaluated by the OHS team, and necessary measures are taken. This structure encourages the development of a safe work culture and the active participation of employees in the process.

Supply Chain and Healthcare

Our bank requires compliance with health and safety standards not only within its own organization but also in its relationships with suppliers and business partners. As part of our Supplier Code of Conduct, we implement a zero-tolerance policy on issues such as forced labor, child labor, and discrimination.

Natural Capital

Energy and Emission Management

In line with its sustainability goals, TKYB has established a comprehensive system to monitor, reduce, and manage greenhouse gas emissions resulting from its operational activities and has continued its efforts in this area with determination in 2024. The Bank classifies all emissions data as Scope 1, 2, and 3, in line with its reporting structure in accordance with the ISO 14001 Environmental Management System and GHG Protocol standards, and regularly monitors these data.

The actions taken by the Bank are monitored using the following key performance indicators (KPIs). As of 2023, these indicators were observed as follows:

- Greenhouse gas emission intensity trend (3-year)
- Electricity consumption
- Natural gas consumption
- Water consumption
- Paper consumption
- Waste amount (separated recycled waste)
- Total installed capacity of renewable energy projects financed in 2024
- Share of TKYB in Türkiye's renewable energy capacity as of the end of 2024 (%)
- Ratio of Sustainable Development Goals (SDG)-related loans to the total loan portfolio as of the end of 2024 (%)
- Amount of SDG-related loans disbursed in 2024
- Percentage of the climate and environment-related SDG-related loan portfolio in the total portfolio in 2024 (%)
- Number of projects with environmental and social risk assessments in 2024
- Ratings of projects with environmental and social risk assessments in 2024
- Total amount of financing provided for renewable energy in 2024
- Annual tCO_2 emissions avoided by renewable energy projects financed in 2024

The Bank's greenhouse gas emission calculations are carried out using emission factors defined in line with the IPCC and the GHG Protocol; Scope 1 and Scope 2 emissions are derived directly from operational data, while Scope 3 emissions are calculated based on indirect sources from the financial portfolio and service-related activities. Throughout 2024, total emissions (Scope 1+2+3) amounted to 470,180 tons of CO_2e, with an emission intensity of 1.35 tons of CO_2e per employee.

Energy Efficiency and Emission Reduction

The bank uses digital systems to monitor its carbon footprint from sources such as natural gas, electricity, and fuel consumption. As in 2022 and 2023, it neutralized its Scope 2 emissions related to electricity consumption in 2024 with the I-REC (International Renewable Energy Certificate).

All employees receive Environmental Management System training during their orientation, and existing employees complete this training periodically every year. Additionally, seminars and workshops on energy efficiency and sustainability are held regularly.

Transition to a Net Zero Economy

TKYB continues to play a critical role in line with Türkiye's 2053 net zero emission target. In addition, the Bank has also committed to a 2050 net zero goal. Within the framework of environmental sustainability and combating climate change, a significant portion of the Bank's loan portfolio has been directed toward sustainability-focused projects. As of 2024, approximately 96% of the loan portfolio consists of projects that meet environmental and social sustainability criteria.

As of the end of 2024, the Bank has made direct or indirect contributions to 7% of Türkiye's total installed renewable energy capacity, helping to prevent 4.2 million tons of CO_2 emissions. In this context, a 40% emission reduction target has been set for 2035, and financing and advisory activities have been expanded in line with this goal.

The Bank's environmentally friendly financing approach has also had international impact. Under the "Green 4" themed loan agreement signed with JBIC, resources have been mobilized for sustainable energy projects. Additionally, the ongoing cooperation with the European Bank for Reconstruction and Development (EBRD) has supported the diversification of and improved access to low-carbon investments.

To achieve net-zero targets, TKYB continued its participation in the United Nations Global Compact's "Climate Ambition Accelerator" program in 2024 and began concretizing its emission reduction strategies in line with the Science Based Targets initiative (SBTi). Within this framework, the Bank aims to reduce its Scope 1 emissions by 40% by 2035 compared to 2023, and by 100% by 2050.

Moreover, as the first financial institution in Türkiye to sign the Operating Principles for Impact Management, the Bank maintains its leadership in promoting the impact investing approach. The environmental and social impacts of financed projects are systematically assessed and reported in this regard.
Going forward, TKYB will continue to support investors in the transition to a net-zero economy, promote renewable energy projects, and develop sustainable finance products.

Water Management

Taking into account the growing pressure of climate change and rising temperatures on water resources, TKYB positions water management as a core component of its sustainability strategy. Increasing water demand, the climate crisis, and urbanization dynamics necessitate the monitoring and evaluation of water consumption, along with the resolute implementation of conservation-oriented policies.

Due to the Bank's headquarters being located in Istanbul and shared with another institution, water consumption is monitored through a jointly managed system. All water needs are met through the municipal water supply, and consumption data are regularly recorded in cubic meters (m^3) based on invoice information.

As of 2024, total water consumption amounted to 5,186.73 m^3, with per capita water consumption calculated at 14.9 m^3 per employee. The Bank does not generate industrial wastewater; all wastewater is discharged into the sewage system in compliance with applicable regulations. No chemical processing occurs in these procedures, minimizing environmental risks.

The determination and implementation of water management strategies are carried out as a shared responsibility across all departments. In line with sustainable water management principles, the Bank continuously develops technical and operational measures aimed at reducing water consumption. Through training sessions, awareness programs, and green office practices, employees are engaged in this process, and behavior change toward efficient water use is actively encouraged.

Waste Management

TKYB carries out its waste management processes in compliance with the "Zero Waste" regulations set forth by the Ministry of Environment, Urbanization and Climate Change of the Republic of Türkiye. In this regard, the Bank continues to play a leading role in the field of environmental management at both the public and private sector levels. Accordingly, the Bank submits a regular waste declaration by the end of March each year and, as a result, holds a basic-level Zero Waste Certificate.

At our Bank's headquarters building, recycling bins suitable for separating different types of waste such as paper, plastic, glass, waste batteries, waste oil, and metal have been placed on every floor. In this way, waste is collected efficiently, the recycling process is accelerated, and an environmentally conscious approach is adopted. Acting on the principle of transparency in waste management, the Bank records all processes through the Integrated Environmental Information System (EÇBS) and reports them in a manner open to Ministry inspections. In addition, the Bank carries out improvement practices aimed at optimizing resource use and minimizing waste generation without compromising service quality, in line with the principles of the Environmental Management System. As of 2024, a total of 9,482 kg of non-hazardous waste has been recycled at the Bank's headquarters.

- **Paper/Cardboard: 6604 kg**
- **Plastic: 1543 kg**
- **Metal: 409 kg**
- **Glass: 926 kg**

In 2024, our Bank organized environmental information and awareness trainings for all employees in order to enhance their sense of environmental responsibility. These trainings aimed to help employees better understand their impact on the environment and actively participate in the recycling system.

In line with sustainability principles, TKYB continues to strengthen waste reduction, segregation, and recycling practices, while working with suppliers and business partners to promote environmentally friendly practices.

Intellectual and Production Capital

Digital Transformation and Innovation

Information security and digital transformation are among the foundational pillars of modern banking operations, with service quality and reliability directly dependent on the robustness of digital infrastructure and the effectiveness of information security policies. Protecting customer data, ensuring business continuity, and delivering secure financial services are key priorities in this area for all banks.

In this context, Türkiye Kalkınma ve Yatırım Bankası has taken significant steps in its digital transformation journey, implementing digitalization initiatives tailored to institutional needs and achieving major improvements in its IT infrastructure to support business continuity and information security. Open-source technologies, open banking applications, and cloud computing solutions have been prioritized, while innovative approaches such as artificial intelligence-supported systems and robotic process automation have been leveraged to enhance process efficiency and effectiveness.

Throughout 2024, process development and optimization efforts in the field of Information Technology were carried out based on agile working principles. With a modular and functional infrastructure, the Bank continues to develop projects that support continuous improvement in digitalization, quality, efficiency, and customer satisfaction, in line with enterprise architecture principles.

New products have been launched on the Bank's new core banking SKY platform, including electronic letters of guarantee and murabaha products, while infrastructure for leasing and grant-based products has been established.

Additionally, new financial institutions were integrated into the web-based supplier financing platform that facilitates trade between buyers and suppliers, contributing to the financing of small and medium-sized enterprises.

Technological Infrastructure and System Modernization

Türkiye Kalkınma ve Yatırım Bankası adopts environmentally friendly approaches in the setup and operation of its primary data center and disaster recovery center, maintaining operations with infrastructure designed to minimize energy consumption.

In 2024, digital transformation efforts continued at full pace, with technology products and solutions implemented in alignment with the principle of sustainability. During this period, the Bank successfully completed its 100% virtualization process, reducing energy consumption and focusing on minimizing the environmental impact of all technologies in use. As part of its sustainable information technology approach, resource efficiency was notably achieved in storage systems, and cloud-based technologies were prioritized.

In 2024, Türkiye Kalkınma ve Yatırım Bankası accelerated its efforts to establish an active Disaster Recovery Center (DRC) architecture and successfully achieved the targeted infrastructure. All systems within the IT infrastructure were reviewed, and related service tests were completed successfully. In full compliance with BRSA regulations and guidelines, the use of secure cloud solutions was expanded. The private cloud infrastructure continued to be preferred due to its advantages such as cost efficiency, operational effectiveness, scalability, high availability, and alignment with global technology trends. Opportunities in community cloud systems were also closely monitored.

A security-focused approach was adopted, and additional protection layers were integrated into endpoint systems. Configurations across all IT components were reviewed, systems were hardened, and only up-to-date and supported protocols were implemented. In 2025, the Bank will continue to monitor global cyber threats and technological developments closely and take the necessary precautions.

Efforts were carried out to enhance the maturity level of all operational processes, especially change management. Tests were conducted, and audit mechanisms were established. Version updates and technology renewal projects were prioritized to ensure that all information technology components remain current, secure, and efficient.

In 2025, all digital platforms will be kept up to date in line with the same strategy. Modernization projects will be implemented for user systems, including core networks and local area infrastructure. In addition, the Bank aims to expand the use of artificial intelligence-supported IT infrastructures in line with evolving business needs.

Throughout 2024, the Bank conducted a comprehensive modernization process for its IT infrastructure. All systems were reviewed, infrastructure services were tested successfully, and the DRC architecture was activated. The enterprise structure was also strengthened through the adoption of a TOGAF-based corporate architecture framework.

Information Security and Cyber Resilience

In 2024, the Bank strengthened its endpoint system security, updated the configurations of all IT components, and implemented the latest security protocols. Additionally, control mechanisms were implemented to increase business continuity and resilience against cyber threats, and threat modeling and hardening practices were successfully completed.

Open Source, Open Banking and Artificial Intelligence Applications

Open banking, open source software, and artificial intelligence-supported infrastructures were at the heart of the 2024 technology strategy. Robotic process automation (RPA) solutions were utilized for process improvements, while innovative solutions were implemented in data- and process-focused applications within the scope of enterprise architecture.

Enterprise Architecture and Process Transformation

Throughout 2024, the bank carried out its digital transformation efforts within the framework of enterprise architecture principles, prioritizing projects focused on quality, efficiency, and customer satisfaction with its modular and functional infrastructure. Digital transformation applications were redesigned to encompass not only the IT infrastructure but also all operational processes.

Sustainability-Focused Digitalization

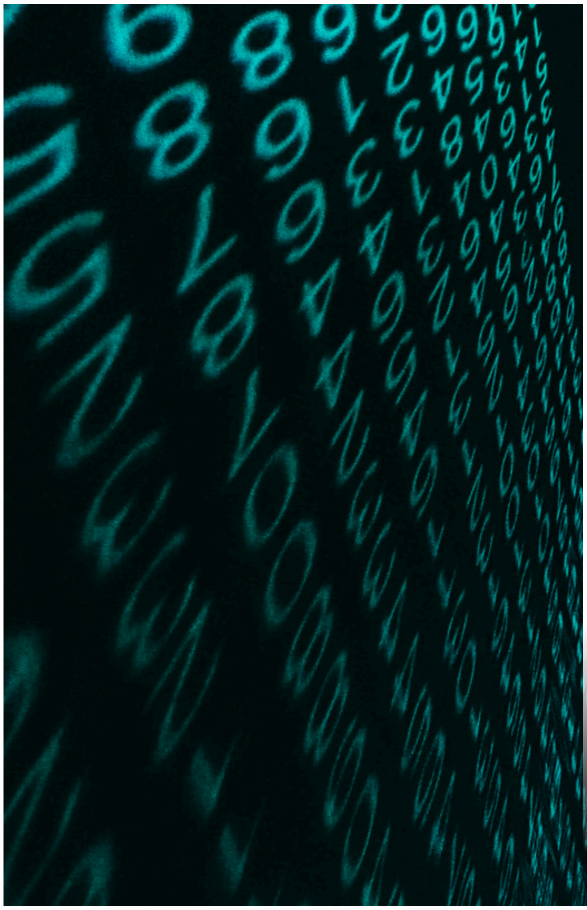
Environmentally friendly practices have been adopted in data center operations, prioritizing solutions that minimize energy consumption. Cloud technologies have increased operational flexibility while also contributing to a reduced carbon footprint.

Cybersecurity and Data Privacy

TKYB sees cybersecurity and data privacy as fundamental elements of corporate integrity in the digitalizing financial services environment and increases its investments in this area every year.

Information security activities are carried out in full compliance with the strategies and guidelines issued by authorities such as the Ministry of Treasury and Finance of the Republic of Türkiye, the Presidency's Digital Transformation Office, and the Ministry of Transport and Infrastructure. The Bank also adopts data security as a fundamental principle in innovative technologies integrated into its digital transformation process, such as artificial intelligence systems, robotic process automation, and cloud solutions.

Throughout 2024, the Bank not only strengthened its resilience against existing cyber threats but also developed proactive measures to address potential future threats.



Strong Infrastructure and Certifications

The bank has maintained its compliance with international standards in information security, maintaining its ISO 27001 Information Security Management System certification and successfully completing annual independent audits. In 2024, it also achieved ISO 27701 Personal Data Management System certification, further enhancing its corporate maturity in personal data security.

Critical System Assurance

Penetration tests conducted under the coordination of the Banking Regulation and Supervision Agency (BRSA) revealed no "urgent" or "critical" security vulnerabilities in the bank's systems, confirming the success of proactive cybersecurity measures. Furthermore, the bank's systems were subjected to an independent audit under the SWIFT CSP, and the process was successfully completed.

Awareness and Preventive Practices

Cybersecurity awareness training was conducted for all personnel, and practices such as phishing simulations, cyber incident response drills, and "Clean Desk – Clean Screen" were implemented. These awareness efforts significantly contributed to the establishment of an information security culture throughout the organization.

Technological Investments and Cyber Resilience

Advanced security technologies are planned to increase the Bank's information security capacity in 2024. In this context:

- Database monitoring systems (DAM),
- Cyber attack simulation platforms,
- Local and national cyber security solutions have been put into operation;
- Collaborations with companies that are members of the Türkiye Cyber Security Cluster have been prioritized.

Social Capital

Customer Satisfaction

TKYB is based on the principle of customer focus in all its business processes and aims to continuously improve its service quality. The bank responds quickly to the needs and expectations of its customers within the scope of investment and development banking, and prioritizes transparency and accessibility in its credit evaluation processes.

Launched at the end of 2022 to systematically measure customer satisfaction, the Internal Customer Satisfaction Survey was completed in 2023, and its scope has since been expanded to establish a sustainable feedback system. As of 2024, satisfaction data is collected, analyzed, and used to identify areas for improvement at every stage of customer interaction.

To more effectively monitor and evaluate customer feedback, the Bank maintains its ISO 10002 Customer Satisfaction Management System certification. This system provides a comprehensive framework for addressing and evaluating customer complaints and implementing preventive improvements.

Through various communication channels—such as the Suggestion and Complaint Form available on the Bank's website, social media platforms, feedback from sectoral conferences, and one-on-one meetings—customer expectations are closely monitored, and strategic actions are shaped based on this feedback.

In addition, AI-driven projects have been planned in 2024 to further enhance the customer experience. These projects aim to automatically categorize customer requests, provide faster responses, and develop tailored solutions.

TKYB approaches customer relations not merely as transaction-based interactions but as long-term business partnerships, remaining committed to delivering a customer experience that is built on trust, transparency, and sustainability.

Stakeholder Capitalism and Transparency

In line with its long-term value creation approach, our Bank aims to generate economic, social, and environmental benefits not only for its shareholders but also for all stakeholders. Guided by the principles of stakeholder capitalism, the Bank takes into account the expectations of all stakeholders—such as customers, employees, public institutions, regulatory authorities, investors, suppliers, and non-governmental organizations—in its decision-making processes.

The sustainability practices implemented in 2024 were supported by corporate communication channels that reinforce a participatory management approach. To ensure that suggestions, complaints, and notifications are effectively conveyed, the Bank utilizes multi-channel communication tools such as the Customer Suggestion and Complaint Form, Ethics Hotline, Corporate Communication Channels, intranet portal, and dedicated ethics email addresses.

Accordingly, the reporting mechanisms established for whistleblowing and anti-corruption efforts have been made accessible not only to employees but also to external stakeholders. As of 2024, the Bank received 76 notifications, all of which were reviewed and addressed with the necessary actions.

Committed to the principles of transparency and accountability, TKYB continued its reporting activities in 2024 in line with the UNEP FI Principles for Responsible Banking, the GRI Standards, the Capital Markets Board Corporate Governance Principles, and the International Integrated Reporting Framework. Following an evaluation by Saha Corporate Governance and Credit Rating Services Inc., the Bank's Corporate Governance Compliance Rating was determined as 9.52, with particularly high scores in transparency (9.84) and stakeholders (9.92).

All these practices demonstrate that the Bank has successfully integrated the principles of transparency, participation, accountability, and sustainability into its business processes and corporate culture. Within the framework of stakeholder capitalism, the Bank embraces dialogue across all areas of influence and adopts participatory decision-making as a core value.

Strong Management of the Value Chain

In line with its sustainable development vision, TKYB adopts a structure based on social, environmental, and ethical principles not only in its financial activities but also throughout its supply chain management processes. The Bank carries out all procedures from supplier selection to contract management in accordance with its Supplier Identification Procedure.

The Bank's supplier code of conduct is comprehensive, covering workplace standards, occupational health and safety, fair remuneration, freedom of association, the prevention of forced or compulsory labor, the prohibition of child labor, and the prevention of discrimination, harassment, and abuse. In addition, as a signatory of the United Nations Global Compact, the Bank expects its suppliers to respect human rights, prevent discrimination, and ensure fair working conditions.

Throughout 2024, the Bank maintained an approach to supplier relations that prioritizes sustainability, locality, and ethical compliance. The share of procurement from local suppliers was sustained at 95%, while the share of the budget allocated to local suppliers remained at 97%.

In supplier selection, the possession of certifications such as
- ISO 9001 Quality Management System,
- ISO 14001 Environmental Management System, and
- ISO 45001 Occupational Health and Safety Management System

is taken into consideration. Suppliers are also expected to commit to principles that do not conflict with TKYB's Environmental and Social Policy, Sustainability Principles, and Climate Change Mitigation and Adaptation Policy.

For high-risk suppliers, approval from the relevant Deputy General Manager is required prior to procurement. All suppliers are screened annually against international sanctions and embargo lists, and business relationships with those identified as high-risk are terminated. This process is independently managed by the Internal Control and Compliance Unit.

As of 2024, 30% of new suppliers were screened and evaluated based on social and environmental criteria. This figure demonstrates that the Bank does not limit its environmental and social impact management to its own operations but also places importance on applying the same standards throughout its supply chain.

Social Responsibility and Contributions

The activities carried out by Türkiye Kalkınma ve Yatırım Bankası generate various indirect impacts on local economies, and managing these impacts plays an important role in achieving sustainability goals. By supporting local supply chains, the Bank enhances the resilience of small-scale enterprises and promotes local employment. However, in some regions, increasing industrial activity may lead to rising living costs, which can place pressure on the purchasing power of local communities. For this reason, the Bank carefully analyzes its regional economic impacts and shapes its strategic decisions accordingly.

Initiatives in technology transfer and innovation contribute to technological progress in local economies; through the training of local workforces and the adoption of new technologies, local businesses increase their competitiveness, thereby supporting sustainable development. These indirect economic impacts of the Bank create a significant influence on local economic structures. Furthermore, all of the Bank's activities are carried out in alignment with the United Nations Sustainable Development Goals and national policy priorities, ensuring a balance between economic growth and social and environmental sustainability.

In conclusion, Türkiye Kalkınma ve Yatırım Bankası operates in collaboration with local communities and maintains ongoing dialogue with stakeholders, regularly reviewing and enhancing the societal benefits of its activities. This approach contributes to fulfilling the Bank's social and environmental responsibilities and achieving its long-term sustainability goals.

Support for Employment and Entrepreneurship

In 2024, through the KAYİST Employment Generation Project, the Bank made a direct contribution to employment across Türkiye. At the same time, within the scope of the COMCEC Project Financing Grant Program, 35 international cooperation projects were completed, providing a total of TRY 48.4 million in grant support.

Through these projects, practical trainings, institutional capacity-building activities, and entrepreneurship support initiatives were carried out to promote socio-economic development in various regions. Beneficiaries of these programs were supported financially, technically, and operationally, enabling them to create transformative impacts within their own communities.

Trainings and Awareness Raising

The bank organizes internal and external training activities to ensure the continuity of its social contribution efforts. In 2024, awareness programs on the environment, ethics, and sustainability were offered to all employees, supplemented with content aimed at increasing social awareness.

Corporate Approach

Social responsibility activities are not limited to periodic projects; they are implemented in integration with TKYB's long-term sustainability strategy. Supported by stakeholder collaboration, an impact-based approach, transparent reporting, and measurable contributions, this strategy aims to ensure sustained social benefit.

Furthermore, the Bank prioritizes employee volunteering in its social responsibility projects, implementing them with extensive employee participation. Within the scope of its social responsibility efforts:

- The income generated by organizing the Kindness Bazaar was used to meet the needs in the earthquake zone 3 years in a row.
- To meet the needs of the earthquake zone and support businesses in the region, requests from social assistance foundations were met throughout the year with contributions from employees. The supplies were purchased from local businesses and delivered to the foundations that requested them.
- On the occasion of the 50th anniversary of the Bank's establishment, the creation of the 50th Anniversary Memorial Forest was initiated with 5,000 saplings.
- KAÇUV Umut Cafe was hosted at the Head Office and support was provided to children with cancer and their families.
- 50 Development Investment Bank employees participated in the Istanbul Marathon and raised funds for the Koruncuk Foundation, supporting girls' education.
- On March 8, International Women's Day, gift packages prepared by the Community Volunteers Foundation were distributed to female employees, contributing to the foundation.

05

Strong Corporate Structure **Assurance of Lasting Value**

Corporate integrity is maintained through robust oversight mechanisms and inclusive governance in the pursuit of strategic objectives.

EFFECTIVE CORPORATE GOVERNANCE

Career and Performance Management
- Board of Directors and Senior Management
- Committees

Impact Management and Corporate Governance Performance

Corporate and Systemic Risk Management

Business Ethics and Legal Compliance
- Conflict of Interest and Anti-Competitive Practices
- Anti-Corruption and Anti-Bribery

Career and Performance Management

The Bank's governance structure is anchored by its highest decision-making body, the Board of Directors. The Board is responsible for making strategic decisions, monitoring executive performance, and effectively managing the Bank's economic, environmental, and social impacts. Supporting these duties are various subcommittees that report to the Board. In line with transparency principles, information on the Board members' other roles and positions is made available to all stakeholders via TKYB's website, the Public Disclosure Platform (KAP), and the Bank's regularly published reports.

Board of Directors

Raci Kaya
Chairperson of the Board

President of the Social Security Institution & Chairperson of the Board of Directors

9.11.2020

Doctor of Philosophy (PhD)

33

Ömer Karademir
Vice Chairperson of the Board / Member of the Audit Committee

General Director of Public Finance, Republic of Türkiye Ministry of Treasury and Finance

25.03.2022

Master's Degree

17

Board membership ended on 22 April 2025.

İbrahim Halil Öztop
General Manager and Board Member

Board Member, Türkiye Investment Initiative & Chairperson of the Board of Directors, Development Venture Capital Portfolio Management Inc.

13.12.2018

Master's Degree

27

Erdal Erdem
Independent Board Member /Audit Committee Chair / Remuneration Committee Member

Board Member, Development Investment Asset Leasing Inc.

10.07.2020

Bachelor's Degree

28

Zekeriya Coştu
Board Member / Vice Chairperson of the Corporate Governance Committee

Deputy Director General of Borrowing, T.C Ministry of Treasury & Finance

4.08.2023

Master's Degree

28

Kerem Dönmez
Independent Board Member / Governance Committee Chair / Audit Committee Member

Deputy Minister, Ministry of Industry and Technology of the Republic of Türkiye

4.08.2023

Master's Degree

16

Zeynep Boğa
Independent Board Member / Remuneration Committee Chair / Audit Committee Vice Chair

General Director of External Economic Relations, T.C Ministry of Treasury & Finance

4.08.2023

Master's Degree

16

Halil İbrahim Azal
Board Member

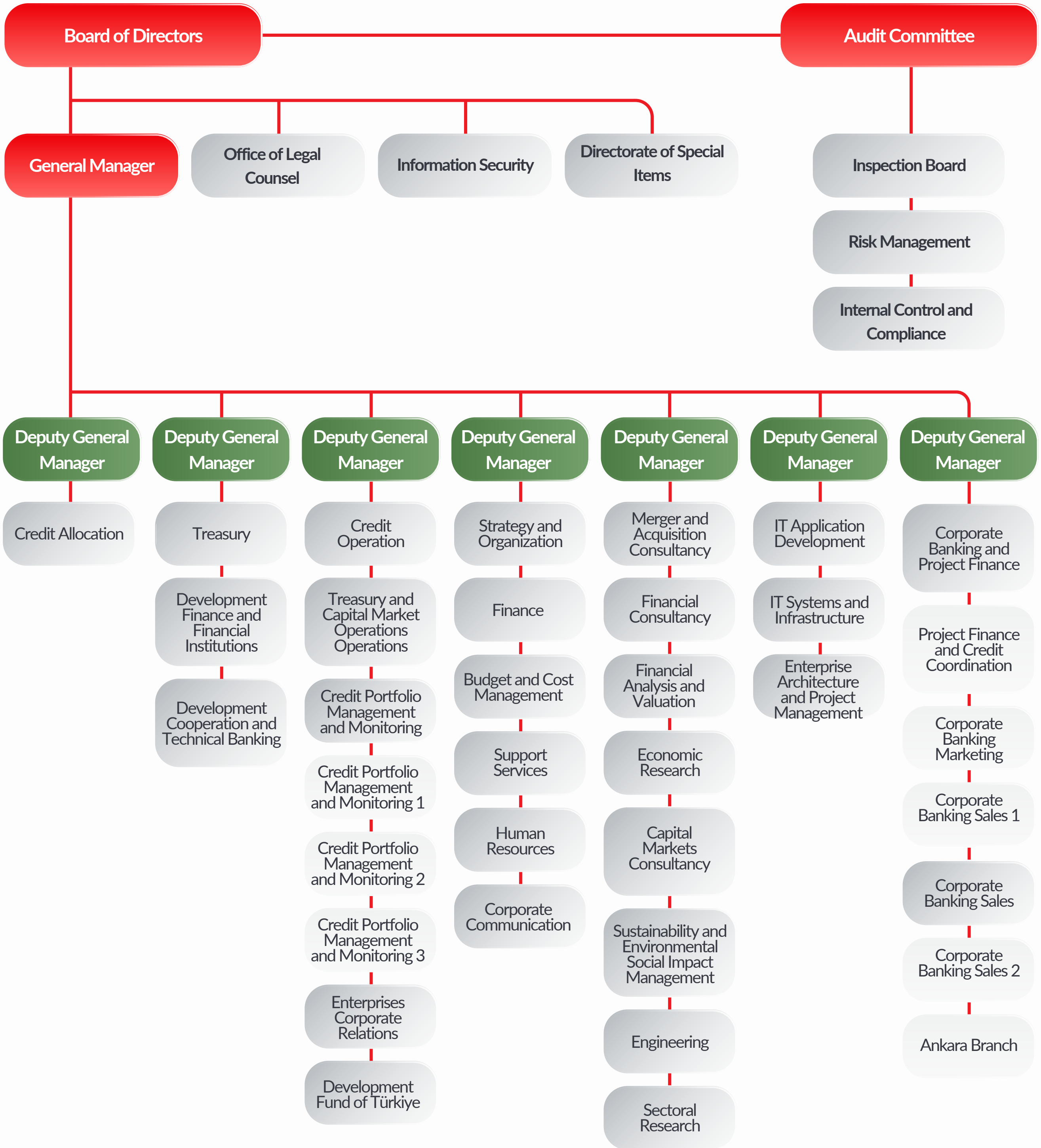
* Halil İbrahim Azal became a member of the board of directors in 2025.

Date of Appointment

Educational Background

Banking & Business Experience (Years)

Organizational Chart



Board of Directors and Senior Management

TKYB, in line with its vision of achieving sustainable development goals, embraces an inclusive and participatory governance approach designed to deliver long-term value to its stakeholders. Accordingly, it prepares its strategic business plans on a three- to five-year basis—incorporating economic and sectoral developments—and conducts an annual review of these plans. The strategic planning process engages all units actively in setting objectives, and the finalized plans take effect upon approval by the Bank's senior management and the Board of Directors.

The Board of Directors is composed of seven members elected by the General Assembly for terms of up to three years. Member elections are conducted in accordance with corporate governance regulations and are carried out during General Assembly meetings based on proposals submitted by shareholders.

The Chair of the Board is selected from among its members in accordance with Article 18 of the Bank's Articles of Association. The Chair's sole responsibility is to preside over Board meetings and does not hold any other executive role within the Bank.

Under the Chair's leadership, the Board takes an active role in defining the Bank's mission and sustainability strategies and approving them together with senior management. The Board also conducts an annual review of the effectiveness of the processes used to manage the organization's economic, environmental, and social impacts, providing critical input for their continuous improvement.

The Board of Directors engages stakeholders through annual general meetings and dedicated sustainability forums, actively soliciting their feedback. At its quarterly meetings, the Board reviews this input and updates its policies and strategies accordingly.

In accordance with the Articles of Association, the Board convenes at least once a month with a majority of its members, and decisions are adopted by majority vote of those present. In 2024, the Board held 17 meetings—10 of which were interim resolutions—and passed a total of 191 resolutions. All decisions are recorded in the Board Resolution Register in compliance with applicable regulations; when dissenting opinions arise, the reasons for any opposing votes are appended to the resolution text. Board members do not possess veto power.

To safeguard the responsibilities of Board members and senior executives, the Bank has procured USD 3 million in Directors' & Officers' Liability insurance. Communication protocols and briefings between the Chair and other members are carefully managed by the Legal Counsel's Office. The Chair sets the agenda and schedule for Board meetings and is responsible for ensuring members' active participation to maximize meeting effectiveness.

Board of Directors

Dr. Raci Kaya
Chairman of the Board

Dr. Raci Kaya was born in Ankara in 1967. He earned his bachelor's degree in Public Administration from Middle East Technical University's Faculty of Economics and Administrative Sciences in 1989, completed a master's in Economics at Hacettepe University in 1996, and received his PhD in Banking and Insurance from Marmara University in 2013.
From 1990 to 2007, Dr. Kaya held various roles across multiple banks. He served as Deputy General Manager at Aktif Yatırım Bankası A.Ş. from 2007 to 2014 and at Ziraat Katılım Bankası A.Ş. from 2015 to 2016. Between 2016 and 2018, he was Acting Undersecretary and then Undersecretary at the Turkish Ministry of Treasury and Finance.
Dr. Kaya chaired the Board of Vakıfbank from 2018 to 2019, sat on Eximbank's Board from 2016 to 2018, and served as an Executive Director at the IMF from November 2018 to November 2020. He returned to the Ministry of Treasury and Finance as Undersecretary from December 2016 until 2023. Since November 2020, he has been Chairman of the Board of Türkiye Kalkınma ve Yatırım Bankası A.Ş., and as of August 2023, he also serves as President and Board Chair of the Social Security Institution (SGK).

Born in Malatya in 1982, Mr. Karademir completed his primary, secondary, and high school education in Malatya. He graduated from Middle East Technical University's Faculty of Economics and Administrative Sciences, Department of Economics, in 2006 and earned a master's in Public Management from Carnegie Mellon University in 2015.
He began his career in 2006 as an Assistant Specialist in the Directorate General of Foreign Economic Relations at the Undersecretariat of the Treasury. From 2009, he served as Specialist in various units of the Directorate General of Public Finance, and from 2017 to 2020 he held the position of Department Head. Between 2020 and 2021, he was Acting Deputy General Manager of Public Finance at the Ministry of Treasury and Finance, and from 2021 to 2022 he served on the Board of the State Supply Office. In December 2021, he was appointed Director General of Public Finance at the Ministry. Since 2022, Mr. Karademir has served as Vice Chair of the Board of Directors of Türkiye Kalkınma ve Yatırım Bankası A.Ş.

***Board membership ended on 22 April 2025.**

Ömer Karademir
Vice Chair, Board of Directors
Member, Audit Committee

İbrahim Halil Öztop
General Manager and Board Member

Born in Şanlıurfa in 1969, Mr. Öztop graduated from Middle East Technical University's Faculty of Engineering, Department of Industrial Engineering, in 1991 and went on to earn a master's degree in Business Administration at Bilkent University. In August 2018, he was appointed both Chairman of the Board and General Manager of Türkiye Kalkınma ve Yatırım Bankası A.Ş. He also serves on the Executive Committee of KOSGEB and sits on the Board of the Turkish Investment Initiative (TII). From October 2021 to May 2024, he chaired the Board of the Capital Markets Association of Türkiye, and from February 2021 to May 2024 he served as Vice Chair of the Central Securities Depository of Türkiye. Since November 2020, he has been Chair of the Board of Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. He was a Board Member of the Turkish Banks Association from June 2020 to June 2022 and was elected Auditor Member of that Association in July 2024. With nearly 30 years of banking experience, Mr. Öztop has held senior investment-banking roles at Türkiye Sınai Kalkınma Bankası A.Ş., Körfezbank A.Ş., and Garanti Yatırım Menkul Kıymetler A.Ş.

Board of Directors

Erdal Erdem
Board Member
Chair, Audit Committee
Member, Remuneration Committee

Mr. Erdal Erdem was born in Çankırı in 1971. He graduated from Afyon Kocatepe University's Department of Finance in 1993 and completed graduate studies at Beykent University.
He began his career at Faisal Finance Institution in 1995–1996 and then spent 1996–2011 in participation banking, serving as Deputy Marketing Specialist, Group Manager of Project Marketing, Director of Credit Services, Head of Credit Monitoring, Legal Counsel, and Deputy General Manager responsible for Credit Evaluation.
Between 2012 and 2014, he served on the Board of Directors and Credit Committee of T.C. Ziraat Bankası A.Ş., and concurrently as Vice Chair of Ziraat Leasing A.Ş. and Board Member of Ziraat Bank Moscow.
From 2014 to 2017, he was Deputy General Manager for SME Banking Marketing, Deputy General Manager for Financial Management and Planning, and Acting Deputy General Manager for Human Resources and Quality Organization at Halkbank. He also chaired the board of Halk Factoring A.Ş. and sat on the board of Halkbank Serbia.
He served as Deputy General Manager—and later General Manager—for SME Banking at Şekerbank from 2017 to 2020. Since July 2020, he has been a member of the Board of Directors of Türkiye Kalkınma ve Yatırım Bankası A.Ş. From November 2020 to 2022, he was Vice Chair of the Board at Karabük Iron & Steel Industry and Trade Co. A.Ş., and from 2022 to 2024 he served as General Manager and Board Member of the Credit Guarantee Fund.

Mr. Çoştu graduated from Boğaziçi University's Department of Industrial Engineering in 2008. He began his career managing commercial units and providing strategic planning consultancy at Turkish Airlines and TRT.
In 2018, he was appointed Director of the Project Management Office at the Ministry of Industry and Technology. As part of Türkiye's "National Technology Move," he led processes and projects to support R&D, innovation activities, and the development of the national technology ecosystem. In April 2020, he became the Founding Director General of the newly established Directorate General of National Technology. While still serving in that role, he was appointed Deputy Minister of Industry and Technology on June 22, 2023.
Since August 2023, he has also served as a Member of the Board of Directors of Türkiye Kalkınma ve Yatırım Bankası A.Ş.

Zekeriya Çoştu
Board Member
Vice Chair, Corporate Governance Committee

Board of Directors

Kerem Dönmez
Board Member
Chair, Corporate Governance Committee
Member, Audit Committee

Mr. Kerem Dönmez graduated from Middle East Technical University's Department of Business Administration in 2007 and earned a master's in International Policy (MBA) from Stanford University in 2019. He began his career at the Turkish Treasury and Finance Ministry in 2013, serving successively as Specialist, Department Head, and—between July and November 2022—Deputy General Manager. He currently holds the position of Director General of Foreign Economic Relations at the Ministry. Since August 2023, Mr. Dönmez has also served as a Member of the Board of Directors of Türkiye Kalkınma ve Yatırım Bankası A.Ş.

Ms. Zeynep Boğa was born in Fethiye in 1982. She completed her primary and secondary education in Ankara and her high school studies in Melbourne, Australia. In 2004, she graduated from Hacettepe University's Faculty of Economics and Administrative Sciences, Department of Business Administration, and went on to earn an MBA from UC Berkeley in 2012. She began her career in 2004 at the Turkish Treasury and Finance Ministry (then the Undersecretariat of the Treasury), serving in the Directorate General of Foreign Economic Relations, International Capital Markets Department. From 2014 to 2019, she was Director of the International Capital Markets Department. In 2019, she was appointed Deputy General Manager responsible for International Capital Markets within the newly established Debt Management Directorate in Istanbul. In that capacity, she managed public financing via foreign-currency bond and sukuk issuances in various markets, oversaw Türkiye's relationships with international credit rating agencies, and engaged with global portfolio investors. Under her leadership, the Turkish External Borrowing Office received "Best Emerging Market Borrowing Office" awards from Global Capital, International Finance Review, Euromoney, and EMEA Finance, and she was recognized as "Most Influential Emerging Market Borrowing Office Head."
She continues to serve as Deputy General Manager for Public Finance at the Turkish Treasury and Finance Ministry. Since August 2023, she has also been a member of the Board of Directors of Türkiye Kalkınma ve Yatırım Bankası A.Ş.

Zeynep Boğa
Independent Member of the Board of Directors
Chair of the Compensation Committee
Deputy Chair of the Audit Committee

Senior Management

İbrahim Halil Öztop
Chairman of the Board & General Manager

Mr. İbrahim Halil Öztop was born in Şanlıurfa in 1969. He graduated from Middle East Technical University's Faculty of Engineering, Department of Industrial Engineering, in 1991 and went on to earn a master's degree in Business Administration at Bilkent University.

He began his career in 1995 as Assistant Manager in the Corporate Finance Department at Türkiye Sınai Kalkınma Bankası A.Ş., and from 1999 to 2001 served as Project Finance & Investment Banking Manager at Körfezbank. Between 2002 and 2006, he returned to Türkiye Sınai Kalkınma Bankası A.Ş. as Group Manager of Investment Banking, then served as Executive Board Member at Osmanlı Yapı Şirketleri from 2006 to 2010. From 2011 to 2018, he was Deputy General Manager of Corporate Finance at Garanti Yatırım Menkul Kıymetler A.Ş.

In August 2018, Mr. Öztop was appointed Chairman of the Board and General Manager of Türkiye Kalkınma ve Yatırım Bankası, positions he has held since December 2018. He also serves on the Board of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP). Elected to the Turkish Banks Association Board in June 2020, he became Chairman of the Capital Markets Association of Türkiye (TSPB) in September 2021. Since April 2021, he has served as Vice Chair of the Central Securities Depository of Türkiye (MKK) Board, representing the TSPB.

Satı Balcı
Deputy General Manager | Subsidiaries, Operations and TKF

Ms. Satı Balcı was born in Yozgat in 1966 and graduated from Ankara University's Faculty of Political Sciences, Department of Business Administration, in 1988. Upon graduation, she began her career that same year at Yapı ve Kredi Bankası as an Assistant Specialist. Over the course of her career, she has held senior roles including Credit Monitoring and Collection Manager and Head of the Credit Allocation and Evaluation Department. She has also served on the boards of various bank subsidiaries. Currently, she is Liquidation Officer at Tasfiye Halinde Kalkınma Menkul Kıymetler A.Ş. and Vice Chair of the Board at Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. Since November 2017, Ms. Balcı has been Deputy General Manager at Türkiye Kalkınma ve Yatırım Bankası A.Ş., responsible for Credit Operations, Treasury and Capital Markets Operations, Subsidiaries, Corporate Relations, and the Türkiye Kalkınma Fonu unit.

Seçil Kızılkaya Yıldız
Deputy General Manager | Investment Banking, Project Evaluation, Sustainability & Corporate Communications

Ms. Yıldız was born in Konya in 1973. After graduating from Boğaziçi University's Faculty of Economics and Administrative Sciences, Department of Business Administration, in 1998, she began her career at Türkiye Sınai ve Kalkınma Bankası A.Ş.

From 2006 to 2007, she served as Deputy Corporate Finance Manager at Oyak Yatırım Menkul Değerler A.Ş., followed by a role as Senior Credit Analyst at Bayerische Hypo- und Vereinsbank AG's Istanbul Representative Office from 2007 to 2008. Between 2008 and 2012, she was Director of Capital Markets at UniCredit Menkul Değerler A.Ş., and from 2012 to 2014 she held the position of Structured Finance Group Manager at ING Bank A.Ş.

Ms. Yıldız worked as a Corporate Finance Consultant from 2014 to 2016 and then as Founding and Managing Partner at FSM Advisory Danışmanlık Ortaklığı from 2016 to 2017. She served as Deputy General Manager at Kuzu Toplu Konut İnşaat A.Ş. from 2017 to 2019.

Since March 2019, Ms. Yıldız has been Deputy General Manager responsible for Investment Banking, Project Evaluation, Sustainability, and Corporate Communications at Türkiye Kalkınma ve Yatırım Bankası A.Ş.

Senior Management

Özlem Cinemre

Deputy General Manager | Treasury and Financial Institutions

Ms. Özlem Cinemre graduated from Boğaziçi University's Faculty of Economics and Administrative Sciences, Department of Business Administration, in 1988. Upon graduation, she began her professional career that same year at QNB Finansbank A.Ş. as an Assistant Specialist.

From 1989 to 1991, she served as Foreign Relations Officer, and from 1991 to 1992 as Head of Foreign Relations. Between 1993 and 1997, she was Group Head of Foreign Relations, and from 1997 to 2018 she held the position of Deputy General Manager for Foreign Relations at QNB Finansbank.

In 2018–2019, Ms. Cinemre served on the boards of QNB Finans Leasing, QNB Finans Factoring, and Hemenal Finansman A.Ş. Since June 2019, she has been Deputy General Manager responsible for Treasury and Financial Institutions at Türkiye Kalkınma ve Yatırım Bankası A.Ş.

Ms. Cinemre is also an active board member of various non-governmental organizations in Türkiye.

Muzaffer Gökhan Songül

Deputy General Manager | Credit

Mr. Muzaffer Gökhan Songül graduated from Istanbul University's Faculty of Political Sciences, Department of Business Administration, in 2002 and then earned a master's degree in International Economics from Marmara University's Institute of Social Sciences.

He began his career at Garanti Bank in 2004 and worked at ABN AMRO Bank from 2007 to 2010. Between 2010 and 2014, he served as Deputy General Manager at Royal Bank of Scotland. From 2014 to 2022, he was Deputy General Manager at Alternatif Bank A.Ş. and concurrently served on the boards of Alternatif Yatırım and Alternatif Leasing.

Since September 2022, Mr. Songül has been Deputy General Manager responsible for Credit at Türkiye Kalkınma ve Yatırım Bankası A.Ş.

*His duties ended on 16.5.2025.

Ali Yunuslar

Deputy General Manager | Information Technologies

Mr. Ali Yunuslar graduated from Middle East Technical University (METU) with a degree in Computer Engineering in 1999. He earned his MBA from Istanbul Technical University (ITU) in 2012.

He began his career as a Software Engineer at VestelNet, then served as a Software Specialist at VeriPark and Bizitek. In 2004, he joined Türkiye Sınai Kalkınma Bankası as a Senior Software Specialist, where he held several managerial roles over seven years. In 2013, he became Director of Application Development at Mastercard Payment Systems, and in 2017 he founded Mentavision Information Technologies.

In 2019, Mr. Yunuslar joined Türkiye Kalkınma ve Yatırım Bankası as Director of Application Development, and in 2022 he was appointed Deputy General Manager responsible for Information Technology.

Nuri Yasin Külahçı

Deputy General Manager | Strategy, Organization & Process Management, Finance, Budget & Cost Management, and Support Services

Mr. Nuri Yasin Külahçı completed his bachelor's degree in Industrial Engineering at Istanbul University's Faculty of Engineering and went on to earn dual master's degrees in Finance & Accounting and Business Administration at Yeditepe University.

He began his professional career in 2003 as an Assistant Inspector in the Audit Board of Finansbank A.Ş., then served as a Senior Consultant at Deloitte and as a Senior Manager at PwC (PricewaterhouseCoopers). In these roles, he successfully led numerous audit and advisory engagements for financial institutions both in Türkiye and internationally.

Mr. Külahçı joined Türkiye Kalkınma ve Yatırım Bankası A.Ş. in 2019 as Director of Strategy, Organization, and Process Management, and since October 2022 has served as Deputy General Manager responsible for Strategy, Organization, Finance, Budget & Cost Management, and Support Services.

Yeşim Şimşek

Deputy General Manager | Corporate Banking and Project Finance

Yeşim Şimşek graduated from Ankara University's Faculty of Communication in 1986. She began her banking career that same year at Yapı Kredi Bank and served at Koçbank from 1993 to 1995. Until 2004, she worked as a Branch Manager at Bank Ekspres and Garanti Bank. From 2004 to 2013, she held Regional Manager roles at Garanti Bank, and from 2013 to 2018 she served as Commercial Banking Marketing Coordinator. Between 2018 and 2022, she was Deputy General Manager for Corporate & Commercial Banking and Project Finance at Alternatifbank. Since June 2022, she has been Deputy General Manager responsible for Corporate Banking and Project Finance at Türkiye Kalkınma ve Yatırım Bankası A.Ş.

*Her duties ended on 1.7.2025.

Committees

The Board of Directors and Senior Management oversee the Bank's operations through a total of 21 committees. These committees operate in accordance with the Bank's internal regulations and convene regularly to make decisions based on legal requirements, current developments, and the Bank's needs. Committee membership criteria are also clearly defined in internal policies.

Each committee is composed of Board members and Bank staff. Because independent directors are required to serve on certain committees—and due to the limited number of Board seats—members often sit on more than one committee. Decisions made in these forums play a critical role in advancing the Bank's strategic objectives.

The Bank's organizational structure, roles, and responsibilities have been established in alignment with its mission, vision, and values. To support both the Board and senior management, various committees have been created. Every committee operates under a formally approved charter, which is reviewed periodically. In carrying out their duties, committees adhere strictly to both internal bylaws and relevant external regulations.

- Personal Data Protection Committee
- Audit Committee
- Corporate Governance Committee
- Remuneration Committee
- Business Continuity and Emergency Committee
- Information Security Committee
- Information Systems Strategy and Steering Committee
- Credit Evaluation Committee
- Asset-Liability Committee
- TFRS 9 Committee
- Procurement Committee
- Information Sharing Committee
- Sustainability Committee
- Information Systems Continuity Committee

Asset-Liability Committee

The Asset-Liability Committee was established to ensure the effective and efficient management of the Bank's assets and liabilities. Operating under the Bank's vision, mission, strategic objectives, and risk management policies, the Committee makes decisions based on key factors such as economic indicators, interest rates, maturity profiles, and currency preferences.

The Committee was formed by Board Resolution No. 213 dated September 8, 2008, and its charter—defining duties and operating principles—was updated by Resolution No. 246 on October 25, 2022. Chaired by the CEO, its members include the Deputy General Managers and the Head of Risk Management. In the CEO's absence, the Deputy General Manager responsible for Treasury presides. The Committee Chair also has the authority to invite relevant unit heads or specialist staff to meetings as needed.

The Asset-Liability Committee continued its work in 2024 to ensure the efficient and effective management of the Bank's balance sheet assets and liabilities. Operating under the Bank's vision, mission, strategic objectives, and risk management policies, the Committee takes into account economic developments and factors such as interest rates, maturity profiles, and currency exposures.
Chaired by the CEO, its members include the Deputy General Managers and the Head of Risk Management. In the Chair's absence, the Deputy General Manager responsible for Treasury presides. Depending on the agenda, the Committee Chair may invite relevant department heads or staff to attend.

In 2024, the Committee issued eight resolutions.

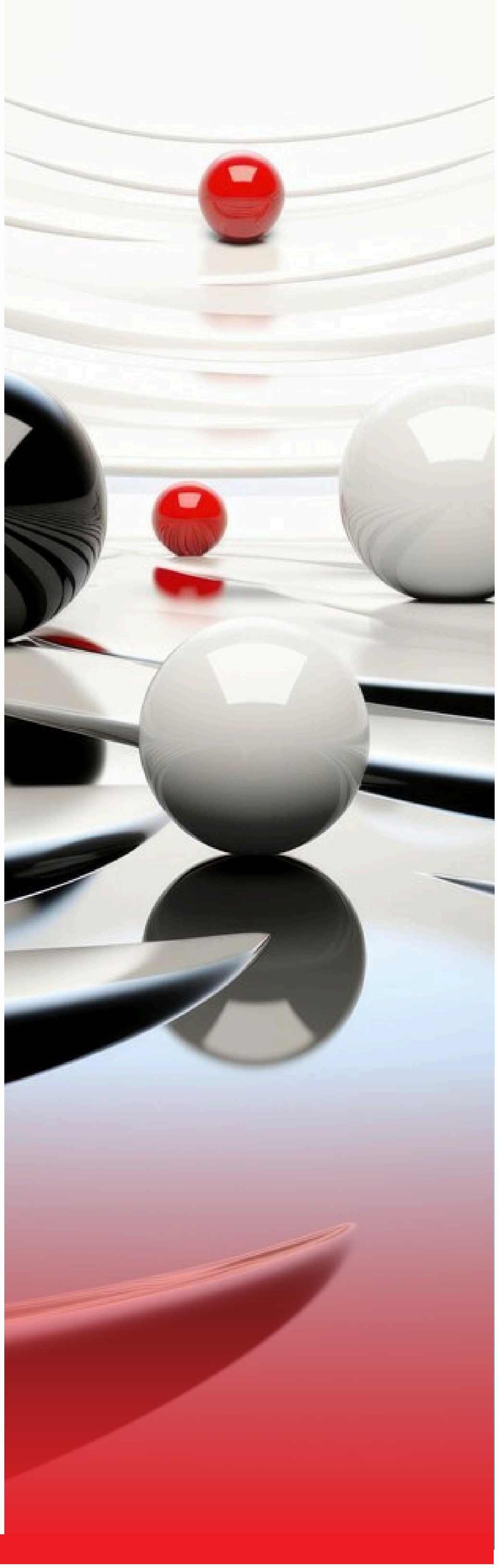
Audit Committee

The Audit Committee is responsible for evaluating the effectiveness and adequacy of TKYB's internal systems. It operates to ensure that accounting and financial reporting processes comply with legal regulations and to guarantee the accuracy of the information produced.

The Committee was established by the Bank's Board of Directors through Resolution No. 227 on October 31, 2006, under Article 24 of the Banking Law and the Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process.

The Audit Committee plays a key role in supporting the Board of Directors' oversight and supervisory responsibilities. Its activities are conducted in accordance with the Audit Committee Regulation, adopted by Board Resolution No. 88 on May 15, 2020. By Board Resolution No. 2024-08-02/323 dated June 6, 2024, Ömer Karademir, Erdal Erdem, Kerem Dönmez, and Zeynep Boğa were appointed as members of the Audit Committee.
The Committee operates under the charter adopted on May 15, 2020, and is required to meet at least once every quarter.

In 2024, the Audit Committee held 16 meetings and issued 51 resolutions.



Credit Evaluation Committee

The Credit Evaluation Committee was established to define and continuously update the lending principles and policies in line with TKYB's overall strategy and objectives. The Committee is responsible for ensuring streamlined coordination and information flow among credit-related units, analyzing credit risk and the overall portfolio health, and reviewing the credit allocation reports prepared for decision-making.

The Committee also incorporates economic, social, and environmental considerations—in line with the Bank's Environmental and Social Policy—into credit allocation processes. Within its delegated authority, it decides on loan deferments, restructurings, and installment plans. Additionally, it establishes credit policy rules and develops strategies to optimize the portfolio's performance in response to changing market conditions. The Committee is also responsible for devising resolution strategies for non-performing or legally pursued receivables and reviewing the related proposals.

When the Committee Chair is unable to attend a meeting, the Vice Chair will preside. Depending on the agenda, other staff members may also be invited to attend; however, they will sign the minutes only under the title "Attendee" and will have no voting rights.
The Committee convened a total of 48 meetings throughout 2024. At these meetings, decisions were made on 141 proposals and matters, and any items deemed necessary were submitted to the Bank's Board of Directors for approval.

Corporate Governance Committee

Pursuant to the "Regulation on Corporate Governance Principles for Banks" issued by the Banking Regulation and Supervision Agency in the Official Gazette No. 26333 on November 1, 2006, and the Capital Markets Board's Corporate Governance Principles, the Bank's Board of Directors established the Corporate Governance Committee by Resolution No. 185 dated June 15, 2007.
The Committee's operating procedures were enacted by Board Resolution No. 209 on July 24, 2007. Subsequent amendments converted these rules into the "Corporate Governance Committee Regulation" under Resolution No. 283 dated December 29, 2011. Most recently, this regulation was updated by Board Resolution No. 211 on September 22, 2022.

The Committee's core responsibilities include defining the Bank's corporate governance policy framework, monitoring adherence to Corporate Governance Principles, driving improvement initiatives, and advising the Board of Directors on related matters. By Board resolution on June 6, 2024, independent, non-executive Board Member Kerem Dönmez was appointed as Committee Chair.
In 2024, the Corporate Governance Committee convened twice and adopted two resolutions. Additionally, the Board resolved that, under the Capital Markets Board's Corporate Governance Communiqué, the Nomination Committee's duties would be assumed by the Corporate Governance Committee.

The Committee continues its activities aimed at further enhancing the Bank's corporate governance practices.

Executive Committee

TKYB has established the Executive Committee to ensure the effective and efficient execution of daily operations. This Committee is responsible for supporting the implementation of the Bank's strategic decisions, managing operational processes, and contributing to the achievement of defined targets.

By safeguarding the efficiency, productivity, and regulatory compliance of the Bank's day-to-day activities, the Executive Committee plays a pivotal role in overall operations. The Committee meets weekly and has the authority to assign tasks directly to relevant units and, as needed, request information through submitted reports.

Remuneration Committee

Within the scope of the Regulation on Amendments to the Regulation on Corporate Governance Principles of Banks published in the Official Gazette dated 09.09.2011 and numbered 27959 , the Board of Directors established a Remuneration Committee on December 8, 2011, with Decision No. 2011-23-10/272, to evaluate the Bank's remuneration policy and practices within the framework of risk management and to submit recommendations to the Board of Directors. The Bank's Remuneration Policy was approved and entered into force by the Board of Directors' decision dated April 18, 2013, numbered 2013-Interim Decision/074, and the Remuneration Committee Regulation was approved and entered into force by the Board of Directors' decision dated June 13, 2013, numbered 2013-11-14/121. The members of the Remuneration Committee were reappointed by the Board of Directors' decision dated June 6, 2024, numbered 2024-08-03-324. The Committee held one meeting in 2024.

Sustainability Committee

Türkiye Kalkınma ve Yatırım Bankası has established the Sustainability Committee to formulate its sustainability strategies and ensure their integration across all areas of operation. The Committee is responsible for identifying sustainability objectives, developing policies, coordinating performance monitoring and reporting processes, and making strategic decisions that incorporate ESG criteria while fostering innovative approaches.

The Committee operates in accordance with the updated Sustainability Committee Directive as of July 2024. Chaired by the General Manager, the Committee comprises an independent Board Member, the Deputy General Manager responsible for Sustainability and Environmental and Social Impact Management, the Deputy General Manager for Development Finance and Financial Institutions, the Deputy General Manager overseeing Human Resources, Financial Affairs, and Strategy, as well as the Head of the Sustainability and Environmental and Social Impact Management Department. Additional members may be included in the Committee’s activities when deemed necessary.

The Committee held two meetings in 2024. Key decisions taken during these meetings included initiating Social Return on Investment (SROI) analyses within the Bank, launching efforts to assess climate-related risks and opportunities, and fostering collaboration with universities to bridge academia and the business world in the field of sustainability.

Business Continuity and Emergency Committee

TKYB has established the Business Continuity and Emergency Committee to create an effective management structure in the field of business continuity and to ensure the coordinated execution of policies, planning, testing, and necessary actions within this scope. The Committee holds critical responsibilities, such as identifying potential risks, preparing emergency scenarios, developing business continuity strategies, and monitoring the implementation of these strategies.

Additionally, the Committee undertakes tasks such as organizing emergency training programs, regularly monitoring risks, and coordinating improvement activities. Through these efforts, the Bank aims to ensure the uninterrupted continuation of its operational activities, while strategic-level measures are taken to safeguard the continuity of corporate operations.

Disciplinary Board

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

Information Security Committee

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

Innovation and Business Development Committee

An Innovation and Business Development Committee has been established within TKYB to evaluate new products, services, innovations, changes, and business development opportunities, and to ensure their implementation.

The Committee assesses developments likely to impact the Bank's corporate strategies and business plans, as well as proposals expected to contribute to achieving corporate objectives. The Committee convened twice during 2024.

Information Systems Strategy and Steering Committee

TKYB has established the Information Systems Strategy and Steering Committee to enhance the effectiveness of investments made in line with the information systems strategy plan and to ensure alignment between the Bank's business objectives and technological goals. The Committee ensures the prioritization of information systems-related projects and investments, monitors the progress of ongoing projects, and contributes to seamless operations by resolving potential resource conflicts between projects.

Furthermore, the Committee provides necessary guidance to ensure compliance of information systems architecture and projects with legal regulations, monitors service quality, and evaluates performance. Operating within the framework of the strategic plan, the Committee aims to steer technology management and continues its efforts to ensure efficient and effective utilization of technology investments.

Human Resources Committee

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

Information Systems Continuity Committee

TKYB has established the Information Systems Continuity Committee to ensure uninterrupted operation of information technology (IT) systems and applications in situations that may jeopardize the continuity of corporate operations. The Committee defines the necessary structural framework to maintain IT system continuity and coordinates related planning processes.

The Committee oversees key areas including: defining business continuity measures, developing potential emergency scenarios, backing up IT infrastructure, and establishing disaster recovery strategies. Implementing necessary precautions to ensure uninterrupted continuation of the Bank's operations, the Committee continues its work to achieve objectives in this field.

Turkish Financial Reporting Standards (TFRS 9) Committee

The Turkish Financial Reporting Standards (TFRS 9) Committee has been established to ensure high-level governance and oversight in the impairment calculation process carried out under TFRS 9. The Committee is engaged in activities to ensure objectivity and impartiality in order to ensure that this process is carried out in accordance with the provisions of TFRS 9.

Procurement Committee

TKYB has established the Procurement Committee to ensure the effective management of its procurement processes. The Committee is responsible for developing and, when necessary, updating procurement policies and procedures, as well as setting the principles for transactions such as purchasing, selling, construction, and leasing within the scope of its authority. It also coordinates supplier selection processes to ensure that procurement activities are carried out efficiently and in an organized manner.

Personal Data Protection (KVK) Committee

At TKYB, the Personal Data Protection Committee (KVK Committee) has been established to develop policies for the protection of personal data and ensure their effective implementation. The Committee continuously monitors compliance with the Law No. 6698 on the Protection of Personal Data, develops necessary corrective and preventive actions, and provides recommendations to the Board of Directors in this context. The Committee's core responsibility is to ensure that the Bank operates in full compliance with legal obligations concerning the confidentiality and security of personal data and that such data is effectively safeguarded.

Information Sharing Committee

The Information Sharing Committee was established at TKYB to ensure that confidential information is shared in accordance with the principle of proportionality, as stipulated by the relevant regulation. The Committee evaluates information sharing requests, determines their appropriateness, and documents and monitors the entire process. It also plays a role in defining policies and procedures to ensure the security of confidential information and coordinates secure information sharing among relevant departments. The Committee bears significant responsibility for the protection and secure transmission of critical and confidential information.

Financial Institutions Committee

The Financial Institutions Committee was established at TKYB to set transaction limits for activities carried out with financial institutions. The Committee oversees the management of relations with these institutions, defines the principles for transactions such as purchasing, selling, leasing, and construction, and makes relevant decisions. In doing so, it ensures that the Bank's engagements with external financial institutions are conducted in a structured, controlled, and strategic manner.

Ethics Committee

The Ethics Commission has been established at TKYB to provide guidance and recommendations to all personnel on matters related to ethical conduct. The Commission supports the establishment and enhancement of an ethical culture within the Bank and is responsible for evaluating ethical practices. It develops policies to ensure compliance with ethical standards and oversees their implementation. Additionally, the Commission addresses employees' ethical concerns, organizes ethics training sessions, and implements various measures to promote ethical awareness. Its primary objective is to ensure that the Bank operates in alignment with ethical values and to encourage ethical behavior among employees.

Strategic Steering Committee

The Strategic Steering Committee was established at TKYB to shape the Bank's long-term vision and evaluate its strategic objectives. The Committee aims to strengthen collaboration across departments and reinforce the institutional structure by supporting transformation and change processes within the Bank. In this context, it facilitates the development of a shared organizational culture, the preparation of strategic business plans, and the effective coordination of related processes. Furthermore, the Strategic Steering Committee assesses the Bank's overall performance and provides guidance to ensure the achievement of established performance targets. Through these efforts, the Committee supports sustainable growth and long-term success by defining the Bank's strategic direction. In 2024, the Committee convened once and adopted a total of seven resolutions.

Impact Management and Corporate Governance Performance

Kalkınma Yatırım Bankası has distinguished itself with its approach to supporting sustainable development and embracing responsible banking, earning the distinction of being the first institution in Türkiye to sign the Operating Principles for Impact Management.

Corporate banking, project finance, venture capital, and private equity investments at the Bank are managed in line with global impact standards. By adopting an impact-driven approach in these areas, the Bank has introduced greater discipline, transparency, and measurability into its processes.

In September 2022, the Bank published Türkiye's first Impact Report aligned with the Impact Principles, publicly detailing its environmental and social impact-creation strategies, impact management systems, and related processes. This report is issued annually and is independently assured by an external auditor.

Through these efforts, TKYB demonstrates its contributions and commitments to Türkiye's sustainable development goals. Sustainability has become one of the Bank's core focuses—alongside the Environment and Social Impact Department—and numerous impact initiatives have been undertaken.

Under its "Mission to Support Sustainable Development" and "Responsible Banking Approach," the Bank's financing and advisory services actively support Türkiye's sustainability objectives. Viewing sustainability as both a corporate responsibility and a strategic goal, TKYB has integrated this strategy across all its banking activities.

The Bank's senior management directly champions sustainability issues and leads initiatives in this area. Since its establishment in 2020, the Sustainability Committee has been chaired by the CEO, and to enhance its guidance and oversight role, an independent member of the Board has also been included in the committee.
Adopting the United Nations' 17 Sustainable Development Goals—announced in 2015—as its guiding framework, the Bank contributes directly or indirectly to 15 of these goals through its responsible banking ethos and commitment to sustainable development.

By publishing its first Integrated Report in 2020, Development and Investment Bank comprehensively shared with the public its contributions to Türkiye's sustainable development over its 48-year history. In this report, the Bank's value-creation model and strategic approach, its sources of capital, defined objectives, and the economic, environmental, and social impacts generated through its banking activities were presented transparently to all stakeholders.

Impact Management and Corporate Governance Performance

The fifth edition of the Integrated Report will be published this year with TSRS content for the first time, focusing on climate and ESG risks. The report has been prepared in compliance with GRI standards.

TKYB not only effectively manages the environmental and social risks arising from its own operations but also addresses the indirect risks generated by its lending activities. In this context, the Bank's financed greenhouse gas emissions were measured for the first time in 2021 and, from that year onward, have been calculated according to the Partnership for Carbon Accounting Financials (PCAF) methodology and verified through an independent audit. These emission calculations are transparently disclosed in the Bank's Integrated Report.

TKYB integrates environmental and social risk analyses into all credit evaluation processes, assessing both clients and financed projects separately. Not content with mere risk mitigation, the Bank also prioritizes initiatives capable of generating positive environmental and social impacts. These analyses are of strategic importance for both reputational management and the fulfillment of environmental and social obligations.

Management Systems – Certifications

Türkiye Kalkınma ve Yatırım Bankası continues to enhance its environmental and management systems in line with its sustainability and operational excellence objectives. Since implementing the ISO 14001 Environmental Management System in 2010, the Bank has systematically managed the environmental impacts of its operations. Under this framework, it identifies and mitigates negative environmental effects, promotes positive impacts, uses resources efficiently, and monitors performance. The 2024 ISO 14001 surveillance audit was completed successfully with no nonconformities detected.

In 2020, the Bank initiated the transition to an integrated management systems framework to broaden its scope. During this process, ISO 9001 Quality Management System, ISO 45001 Occupational Health and Safety Management System, and ISO 14001 Environmental Management System were jointly structured and the necessary infrastructure was established. As a result of these efforts, the Bank successfully obtained ISO 9001 and ISO 45001 certifications in 2021.

In 2022, the Bank took a new step focused on customer satisfaction by enhancing the effective management, evaluation, and reduction of customer complaints and by aligning its operations with customer expectations. Accordingly, it earned ISO 10002 Customer Satisfaction Management System certification. Following this achievement, the Bank published and shared with all stakeholders a policy document outlining its approach to quality, customer satisfaction, environmental management, and occupational health and safety.

Management Systems – Certifications

The Bank has made notable progress in the field of information security by aligning its practices with the ISO/IEC 27001 Information Security Management System Standard, which is internationally recognized and auditable for defining controls and requirements related to information security. In addition, compliance has been ensured with ISO 27701, the standard governing Personal Data and Privacy Information Management Systems. Upon verification of these compliance processes, the Bank qualified for both certifications.

In 2020, alongside the two memorial forests established in Ankara, a new memorial forest was created in Istanbul. Across all three forests, a total of 20,000 trees contribute annually to the prevention of approximately 435 tons of carbon dioxide emissions.

The Bank regularly monitors and calculates greenhouse gas emissions from both its direct activities and indirect operations. These emission data are independently verified in accordance with TS EN ISO 14064-1:2018 and the GHG Protocol and are offset in line with international norms. In 2024, I-REC certificates were obtained, resulting in the complete neutralization of Scope 2 emissions for that year.

During the same year, the Integrated Management System audit was completed successfully without any non-conformities, once again demonstrating the Bank's strong commitment to sustainability and operational excellence.

TKYB Management Systems

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	

Impact Investing and Partnerships

TKYB aims to continuously enhance its global impact management systems and believes in the importance of adopting international best practices. Accordingly, the Bank actively participated in the UN Global Compact's Young Sustainable Development Goals (SDG) Innovators Programme in 2021.

The programme supports young talents in developing innovative ideas aligned with the Sustainable Development Goals and prepares them for leadership roles in the business world. During the programme, the Bank encouraged participants to design projects focused on reducing carbon footprints, managing waste efficiently, and saving energy.

Over the ten-month duration, participants were given the opportunity to generate solutions for pressing challenges in the sustainability field. By embracing the innovative perspectives that emerged from these projects, the Bank aims to both strengthen its corporate sustainability strategies and achieve its long-term sustainability objectives.

To raise awareness of impact investing and promote its adoption, the Bank is a member of the Global Impact Investing Network (GIIN), one of the leading organisations in this sector.

Through its GIIN membership, the Bank seeks to support impact investments in companies, institutions, and investment funds that deliver both financial returns and social and environmental benefits.

Additionally, marking a first in Türkiye, the Bank's Assistant General Manager for Sustainability, Seçil Yıldız, was elected to GIIN's Advisory Board on Impact Investing. This development has reinforced the Bank's international influence and leadership in impact investing.

The Bank was among the founding signatories of the Principles for Responsible Banking developed by UNEP FI in 2019. As of 2024, it continues to implement the sustainability practices these principles require through collaborations with national and international stakeholders. The Bank also plays an active role in various UNEP FI working groups.

The Bank is also a signatory to the UN Global Compact and, in 2024, submitted its Progress Report via the online platform.
As a member of SKD Türkiye—the WBCSD's local partner—the Bank contributes to the Sustainable Development Goals through this forum.
In parallel with its transition to integrated reporting, the Bank joined ERTA in 2021 and continued in 2024 to make active contributions to the working groups under that membership.

In 2021, the Bank entered into a sustainability collaboration agreement with Istanbul Technical University, under which it initiated a climate change mitigation project.

As part of its Sustainable Eurobond framework with the French Development Agency (AFD), the Bank launched a Gender Equality Technical Assistance Programme in 2023. This programme is designed to develop a comprehensive gender equality strategy for both internal processes and client-facing operations, and to integrate Gender Equality Analysis into the impact assessments of AFD-financed projects in accordance with OECD DAC classifications. These measures aim to embed equality throughout the Bank's activities and advance the SDG target on reducing inequalities.

Frankfurt School of Finance & Management, acting as Technical Support Advisor, conducted an in-depth review of the Bank's internal gender equality policies and customer engagement practices. These efforts continued throughout 2024 without interruption.

Under a grant agreement with KfW for technical assistance, the Bank also enhanced its Environmental and Social Management System, concluding by the end of 2024 with the implementation of more robust and comprehensive risk assessment procedures.

From 11 to 22 November 2024, the Bank participated in COP 29 in Baku, Azerbaijan, engaging in high-level discussions on financing climate mitigation and adaptation projects, as well as Just Transition and Circular Economy initiatives for Türkiye.

Compliance with Corporate Principles

TKYB carries out its operations in full compliance with Law No. 7147, the Banking Law, and other relevant regulations. In this context, the Bank continues to undertake efforts aimed at continuously improving its corporate performance. TKYB demonstrates strong performance in aligning with the Corporate Governance Principles set forth by the Capital Markets Board of Türkiye (CMB). Full compliance is ensured with the mandatory principles, and maximum effort is made to comply with the non-mandatory ones. This reflects the Bank's strong commitment to transparency, accountability, and effective governance.

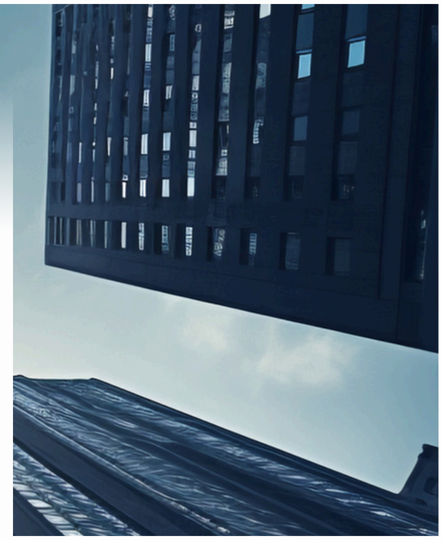
TKYB also aims to implement the non-mandatory Corporate Governance Principles. However, full alignment has not yet been achieved due to certain challenges in implementation and the partial incompatibility of some principles with current market conditions. Nevertheless, the Bank continues to strengthen its administrative, legal, and technical infrastructure to enhance compliance with these principles. Upon the completion of these processes, further steps will be taken to elevate its corporate governance standards. These ongoing efforts contribute to TKYB's long-term institutional success and reinforce its leading position in the sector.

In accordance with the Capital Markets Board's decision dated January 10, 2019, numbered 2/49, Corporate Governance Compliance Reporting is conducted within the scope of Communiqué II-17.1 on Corporate Governance. The reporting is carried out via the Public Disclosure Platform (KAP) using the Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF) templates. These reports are accessible through KAP under the titles "Corporate Governance" and "Corporate Governance Principles Compliance Report."

The Bank's compliance report includes explanations regarding the main non-mandatory principles with which full compliance has not yet been achieved, as required by regulation. Detailed information on these matters is provided in the relevant sections of the report. Nonetheless, partial non-compliance with non-mandatory principles is managed in line with the Bank's approach to minimizing conflicts of interest and safeguarding corporate performance.

Stability in Corporate Governance

TKYB has continued its steady growth and success in the corporate governance rating exercise. Last year's compliance score of 9.40 has risen to 9.52 this year, allowing the Bank to remain in the top tier of the Global Corporate Governance Index.



This result demonstrates the Bank's ongoing development and progress in corporate governance principles. By embedding transparency, accountability, and fairness at the core of its governance vision, TKYB aims to maintain and build upon this strong performance in the years ahead.

Corporate Governance Compliance Rating Score

	Shareholders	Public Disclosure and Transparency	Stakeholders	Board of Directors	Corporate Governance Principles Compliance Rating Score
Weight	%25	%25	%15	%35	
Obtained Score	9,52	9,84	9,92	9,12	9,52

Summary of the Board of Directors' Report

In 2024, economic activity remained moderate—despite rising geopolitical risks and tighter financial conditions—supported by interest rate cuts from major central banks, and the economic outlook shifted toward a growth trajectory.

While global investments in renewable energy increased last year, innovative strides were made in artificial intelligence and digitalization. In 2024—against a backdrop of rising regional risks and challenges in the global economy—Türkiye's tight monetary stance helped bring annual inflation down rapidly, domestic demand lost momentum, and growth components began to rebalance. The effects of the new economic program and anti-inflation measures implemented in our country made the decline in inflation more pronounced in the second half of the year. The reduction in the country risk premium during 2024 had several positive impacts on the banking sector, not least through improved external financing conditions.
Reviewing our Bank's year-end financial indicators, total assets reached TRY 153.6 billion by the end of 2024, representing a 13.9% increase over the prior year.

The volume of our loans, which comprise 62% of total assets, rose by 13% to reach TRY 94.8 billion as of year-end 2024. The ratio of gross non-performing loans—an important indicator of asset quality—to total loans stood at 0.8%. Our Bank's capital adequacy ratio, which was 16.86% in December 2023, **reached 17.98% by December 2024.**

Our Bank has, since its inception, placed sustainable development at its core—actively supporting environmentally and socially responsible investments. Leveraging its strong capital base, expertise in development and investment banking, and its mission to deepen and diversify Türkiye's capital markets and the Turkish Capital Fund, the Bank will continue advancing our country's sustainable growth and development.
On behalf of the Board of Directors of Development and Investment Bank, we thank all stakeholders who contributed to our 2024 activities and hereby present the 2024 Board of Directors' and Auditors' Reports, along with the financial statements of Development and Investment Bank, for your review.

Corporate and Systemic Risk Management

TKYB adopts a comprehensive and systematic risk management approach to keep potential risks in its operating areas under control. This approach is implemented through detailed procedures covering risk identification, analysis, and management. In this way, the Bank maintains operational stability while adhering to its strategic objectives.

The risk management process comprises the core steps of identifying, measuring, monitoring, and managing risks in accordance with both national and international regulations. All activities are conducted within the risk limits defined by the Board of Directors, enabling the Bank to maintain effective control over its exposures. The Risk Management Unit continuously tracks current and potential risks and produces reports at regular intervals. These reports—prepared daily, weekly, monthly, and annually—are tailored to the Bank's operational requirements and regulatory obligations, and are submitted to the Audit Committee, the Board of Directors, and senior management.

The Unit is responsible for identifying, measuring, analyzing, reporting risks, and taking the necessary actions to mitigate their impacts. The Bank's sensitivity to financial variables such as interest rates and foreign exchange movements is analyzed daily under multiple scenarios, and daily risk limits and liquidity indicators are closely monitored. Duration analyses are conducted on the securities portfolio, and the compliance of guarantee letters with the Bank's limits is regularly reviewed. Weekly reports include macroeconomic evaluations along with currency and liquidity risk analyses, while monthly risk analysis reports provide a more comprehensive view and are shared with senior management and relevant committees to support the risk management process.

In line with the process established within the Bank, the Internal Capital Adequacy Assessment Process (İSEDES) report is prepared annually in a comprehensive format based on the year-end financial statements and submitted to the BRSA by the end of March each year. The 2024 İSEDES report was completed by the Risk Management Unit in March 2025, approved by the Board of Directors, and subsequently forwarded to the BRSA.

In TKYB's organizational structure, six key committees play a central role in defining decision-making mechanisms and risk management processes. These committees are: the Asset-Liability Committee, the Credit Evaluation Committee, the Audit Committee, the TFRS 9 Committee, the Executive Committee, and the Corporate Governance Committee.

These committees play a decisive role in shaping and executing the Bank's overall risk strategies, guiding the definition of its risk appetite and tolerance levels. Each committee, within its own remit, acts as a critical pillar supporting the Bank's risk management approach and enhancing the efficacy of its practices. Thanks to their contributions, the Bank is able to control its risks systematically and continue its operations under a sustainable management model.

Within its corporate risk management framework, TKYB integrates these committees into its decision-making mechanisms and aligns them with risk-budgeting practices to ensure the efficiency and robustness of its risk management processes. The foundational document governing the Bank's overall risk approach is the "Risk Management Strategies, Policies, and Implementation Principles," approved by the Board of Directors. This policy is based on the principles of operating within the Bank's areas of expertise, assuming risks that are controllable and definable, and avoiding those that are not.

Corporate and Systemic Risk Management

The Bank takes all necessary measures to ensure that the risks it assumes remain manageable while pursuing specialization in areas aligned with its vision and structural characteristics. Risk impacts are assessed using both legally prescribed measurement and reporting methodologies and the Bank's own internal risk measurement tools. Additionally, stress tests and scenario analyses simulate potential future scenarios, and these analyses are validated through backtesting to underpin sound decision-making processes.

The Risk Management Unit sets formal limits for all quantifiable risks arising from the Bank's activities, in line with Banking Regulation and Supervision Agency (BRSA) requirements. The core document defining the Bank's risk appetite, "Risk Limits and Implementation Principles," is reviewed at least once a year—or more frequently if needed—and submitted to the Board of Directors for approval. All operations are conducted within these approved boundaries and are continuously monitored by the Risk Management Unit. Should any limit be breached, immediate intervention ensures that risks are brought back within the prescribed thresholds.

To manage effectively the potential risks stemming from macroeconomic factors and its own business activities, TKYB has adopted a comprehensive and systematic risk management approach. This framework includes stress testing and scenario analysis, which are periodically updated to safeguard the Bank's capital adequacy and operational strength. The principal methods and core processes within this framework are outlined alongside:

- **Stress Testing and Scenario Analysis**
- **Internal Capital Adequacy Assessment Process (İSEDES) Report**
- **Regulatory Requirements and Reporting**
- **Strategic Planning and Risk Management**
- **Business Continuity**

Business Ethics and Legal Compliance

Bank adopts the prevention of conflicts of interest, the fight against unfair competition and corruption, and the provision of ethical and fair working conditions for its employees as fundamental principles in all business relationships. In this regard, the Bank's own Ethical Principles Agreement, together with the Banking Ethics Principles published by the Turkish Banks Association, serves as the foundation, and adherence to these principles is regarded as a corporate responsibility.

An "Ethics Agreement" is signed with every employee of the Bank and carefully kept in their personnel files. TKYB has adopted a policy of maintaining sustainable and robust communication with its stakeholders, customers, and beneficiaries. Accordingly, the "Complaint Management Procedure" is actively applied in all projects carried out with International Financial Institutions (IFIs).

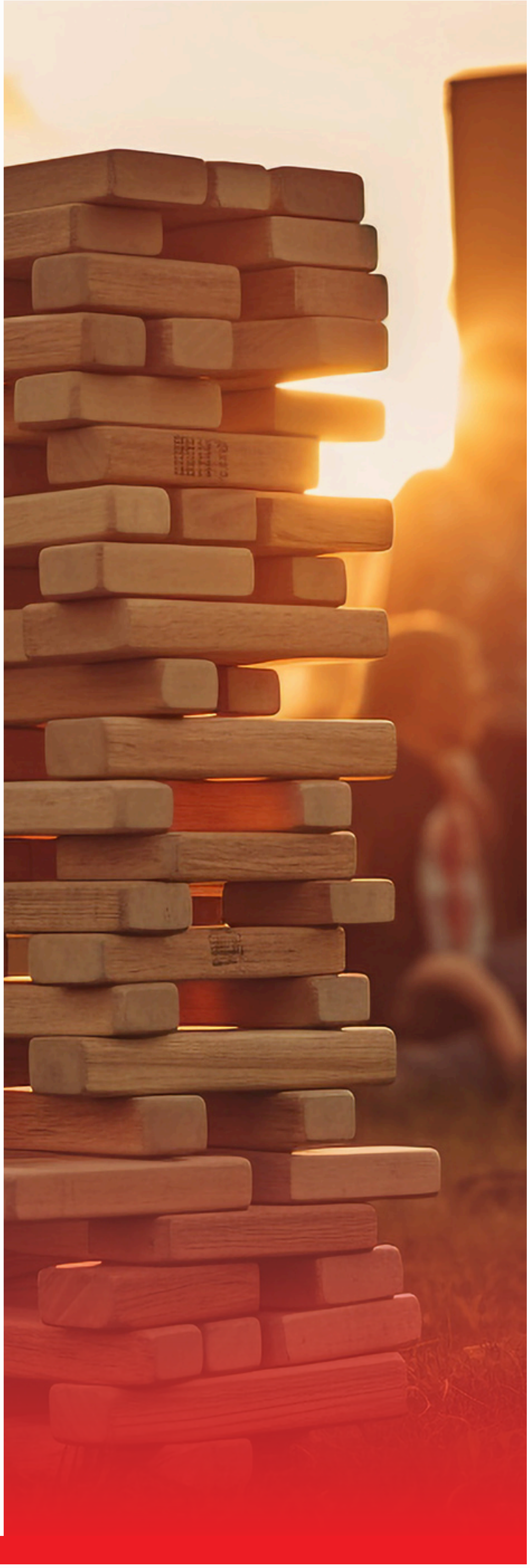
Within the Bank's internal systems, a notification center provides employees with a secure channel for reporting whistleblowing, ethical violations, suspicious transactions, suggestions, and complaints. In addition, staff who are not directly involved in IFI projects may submit ethics-related reports to the Bank via dedicated email addresses. These mechanisms ensure that both employees and other project stakeholders can raise complaints about IFI projects through clearly defined channels and processes.

- **Suggestions and complaints,**
  While submissions are made via the Customer Suggestion and Complaint Form at https://kalkinma.com.tr/bizeulasin/iletisim-bilgileri, employees can report any violations of the Ethical Conduct Principles and misconduct to etikhatti@kalkinma.com.tr

- The email address ihbarhatti@kalkinma.com.tr is used by employees to report any practices that violate laws and regulations.

- Additionally, Bank employees can submit consultation requests regarding responsible business policies and practices directly to the Strategy and Organization Unit via the Idea Platform on the Bank's intranet portal.

- For ethics-related reports, an email address (ihbar@kalkinma.com.tr) is also available. Reports submitted to this address are forwarded to the Internal Control and Compliance Unit (ICCU). After a preliminary assessment by the ICCU Manager, notifications deemed to be valid reports are referred to the Chair of the Inspection Board for appropriate action.



Business Ethics and Legal Compliance

To foster uninterrupted communication on ethics and compliance, our Bank publishes relevant information on its website in an open and transparent manner. Complaint mechanisms are provided both for Bank personnel and for those involved in projects, and these channels are designed to be easily accessible.

All reporting processes are conducted in accordance with the principle of confidentiality. Any violation or abuse reports submitted via the Ethics Hotline are forwarded directly to the General Manager, thereby ensuring that senior management can engage directly with these issues.

In order to advance its ethics and compliance approach, TKYB has signed the United Nations Global Compact (UN Global Compact), committing to integrate universally accepted principles on human rights, labor standards, environmental responsibility, and anti-corruption into its operations.

The UN Global Compact is a global platform that encourages businesses to operate more sustainably and responsibly. By joining this initiative, the Bank embeds a management philosophy that respects human rights, manages environmental impacts conscientiously, upholds employee rights, and adopts anti-corruption practices throughout all of its business processes.

The Bank's ethics framework is shaped by its "TKYB Ethical Principles" and its "Environmental and Social Policy," and is supported by the following policies and procedures:

- **Conflict of Interest Policy**
- **Regulation on Combating the Laundering of Proceeds of Crime and the Financing of Terrorism**
- **Anti-Bribery and Anti-Corruption Policy**
- **The Turkish Banks Association's 'Banking Ethics Principles'**
- **Regulation on the Ethical Conduct Principles for Public Officials and the Procedures and Principles of Application**
- **Principle Decisions of the Turkish Public Officials Ethics Board**

TKYB's adopted ethical principles encompass its responsibilities to customers, other industry participants, employees, the Bank itself, society, and business partners, and also cover its relations with media and external stakeholders, the protection of confidentiality, and measures against money laundering.

Within this framework, the Bank's fundamental stance is to safeguard customer rights in accordance with legal requirements, to refrain from any practices that could constitute unfair competition, and to ensure equal opportunity in its internal operations.

While preserving its corporate reputation, TKYB also offers financing and advisory solutions that promote environmental and social sustainability. In all business dealings, the Bank adheres to its Conflict of Interest Policy, thereby upholding its commitment to ethical standards.

Business Ethics and Legal Compliance

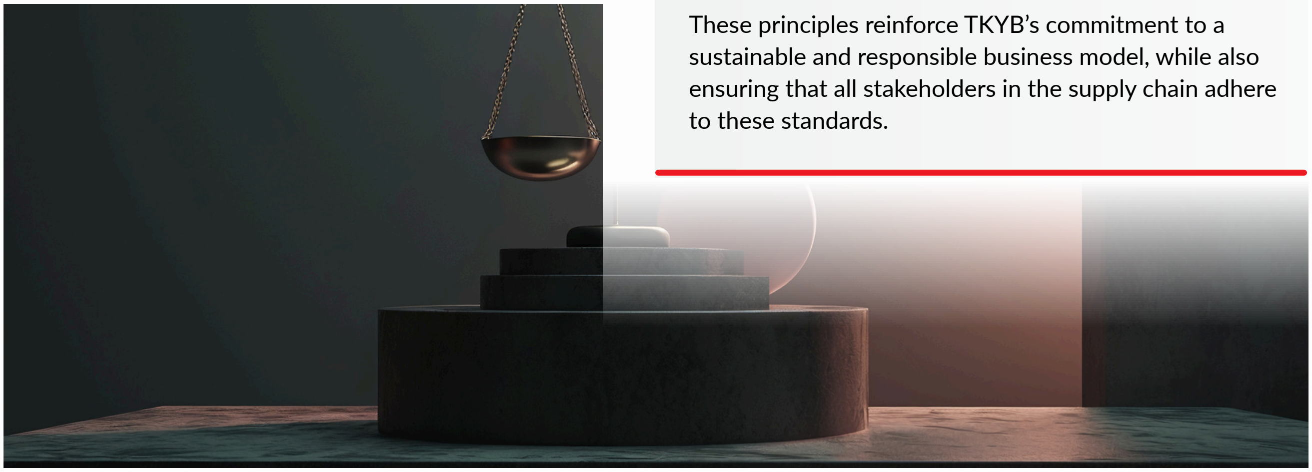
Türkiye Kalkınma ve Yatırım Bankası (TKYB) bases all its operations on full compliance with legal regulations, internal policies and procedures, and established banking traditions. Objectives such as ensuring the integrity and reliability of accounting and reporting systems, providing timely access to information, and enhancing operational efficiency are reinforced by continuous control mechanisms that all personnel across the institution are required to follow.

In its interactions with the media and public authorities, the Bank gives priority to public benefit, the protection of individual rights, and impartiality. Confidentiality practices are carried out in accordance with the policies and procedures developed under Law No. 6698 on the Protection of Personal Data. TKYB's Ethical Principles take effect as of the date they are approved by the Board of Directors and serve as a guiding framework for corporate conduct.

These ethical rules apply not only to the Bank's employees and customers but also to its business partners and suppliers. In this regard, TKYB's Code of Conduct is a key point of reference. The Bank upholds high ethical and professional standards in its relationships with suppliers and expects them to adhere to these same principles.

As of 2024, no lawsuits have been filed against the Bank for ethical violations, nor have any fines been imposed due to noncompliance. This record reflects the positive impact of the comprehensive ethics training provided to all employees and managers and underscores the Bank's firm commitment to its ethical principles and policies.

These principles reinforce TKYB's commitment to a sustainable and responsible business model, while also ensuring that all stakeholders in the supply chain adhere to these standards.



Conflict of Interest and Anti-Competitive Practices

TKYB has issued a Conflict of Interest Policy to prevent conflicts of interest and anti-competitive practices. Under the scope defined by this policy, it seeks to prevent conflicts of interest in all forms—between the Bank and its customers; between Bank employees and customers; between the Bank and its employees; among employees and/or business units; and among our customers themselves.

This policy applies to all staff, including temporary employees, and is reinforced by Ethical Principles that cover both personnel and management. TKYB's Ethical Principles are designed to ensure the delivery of high-quality service to customers, stakeholders, employees, and society; to promote the effective and efficient use of resources; and to guard against unfair competition.

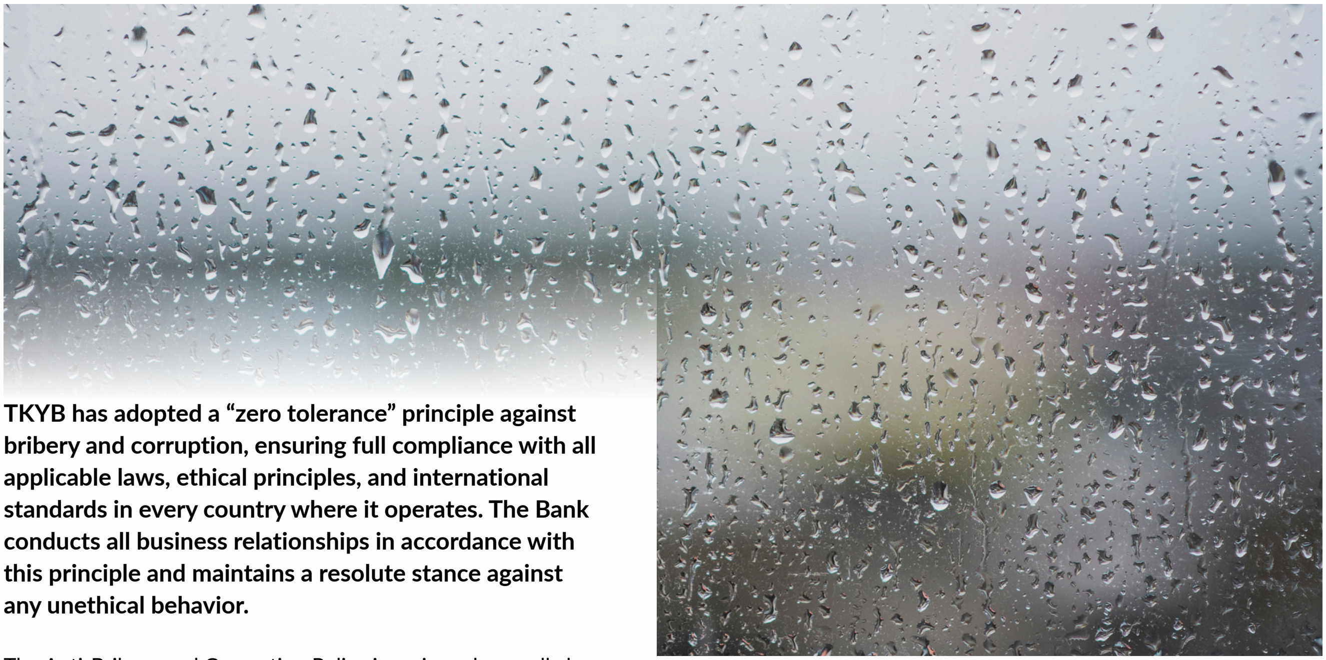
TKYB has committed to acting in accordance with its Code of Ethics Agreement and the Banking Ethics Principles defined by the Turkish Banks Association, making these values cornerstones of its corporate culture. The Bank upholds customer rights within legal boundaries, promotes a fair competitive environment, and ensures equal opportunity in its internal processes. At the same time, by delivering financing and advisory services, it protects its reputation while supporting environmental and social sustainability.

To define its corporate governance policy, monitor compliance with governance principles, and propose improvements to the Board of Directors, the Bank has established a Corporate Governance Committee. This Committee is responsible for identifying potential conflicts of interest and developing necessary safeguards. It also reviews any case where a Board member holds an executive or advisory role at another financial institution, ensuring that such external responsibilities neither impede their duties at TKYB nor give rise to conflicts of interest.

Potential conflicts arising from various Board memberships are regularly reported to all stakeholders and disclosed publicly via the Public Disclosure Platform (KAP). Under the current Procurement and Tender Regulations, it is prohibited for the Bank to procure from companies owned by its Board members or staff. Furthermore, to prevent supplier-related conflicts of interest, necessary measures have been implemented in line with the Conflict of Interest Policy and the Code of Ethics. An Ethics Hotline is also available for employees to report any suspected conflicts.

The Bank's subsidiaries disclose their transactions with TKYB in their independent audit and annual activity reports, with this information shared transparently with all stakeholders. In the event of any conflict of interest, the Bank takes appropriate actions in accordance with its internal regulations. Throughout 2024, TKYB faced no legal proceedings related to anti-competitive practices or monopolistic behavior.

Anti-Corruption and Anti-Bribery



TKYB has adopted a "zero tolerance" principle against bribery and corruption, ensuring full compliance with all applicable laws, ethical principles, and international standards in every country where it operates. The Bank conducts all business relationships in accordance with this principle and maintains a resolute stance against any unethical behavior.

The Anti-Bribery and Corruption Policy is reviewed annually by the relevant units to ensure process effectiveness and is updated as needed. This policy applies not only to Bank personnel but also to Board members, subsidiaries, joint ventures, external service providers, and business partners.

To facilitate effective implementation, digital infrastructure enhancements have been deployed to enable employees to easily access, read, and acknowledge the policy. TKYB conducts regular training programs aimed at mitigating bribery and corruption risks, covering all employees. The completion of these trainings is closely monitored by the Internal Control and Compliance Unit.

2022	64 managers - 259 employees
2023	85 managers - 301 employees
2024	85 managers - 271 employees

Has completed anti-corruption and anti-bribery training.

TKYB has established an Ethics Hotline to report and address any suspicions of bribery, corruption, or other breaches of its Ethical Conduct Principles. Stakeholders may notify the Bank at ihbar@kalkinma.com.tr via email if they identify any unethical behavior, including attempts at bribery or corruption. All submissions are treated confidentially.

As part of its anti-bribery and corruption risk management, the Bank conducts regular risk assessments. These reviews evaluate the risk potential of new products and processes, compliance with segregation of duties, and the adequacy and currency of the Bank's credit, procurement, and human resources policies. They also consider staff awareness levels, any investigations related to bribery or corruption, and associated financial losses.

During the 2024 reporting period, no incidents of bribery or corruption were identified. These outcomes underscore the Bank's strong commitment to combating bribery and corruption, as well as the effectiveness of its training programs in this area.

06

Every Detail Completes the Whole

Performance indicators, corporate memberships, and standards-based content are the guarantee of transparency and accountability.

ANNEXES

Performance Indicators

PRIORITY TOPIC	RELEVANT PERFORMANCE INDICATOR
Climate Change and ESG-Focused Investments	Electricity consumption (kWh)
	Electricity consumption (GJ)
	Electricity intensity (kWh/m²)
	Natural gas consumption (m³)
	Natural gas consumption (GJ)
	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 – Diesel (GJ)
	Bank-owned vehicle fuel consumption – Gasoline (L)
	Bank-owned vehicle fuel consumption – Gasoline (GJ)
	Paper consumption
	Installed capacity of financed renewable energy projects
	Annual tCO_2 emissions avoided through financed renewable energy projects
	Ratio of sectors assessed for social and environmental impact
Inclusive Growth and Financial Performance	Generated Direct Economic Value (TRY)
	Distributed Economic Value (TRY)
	Foreign Exchange–Adjusted Loan Growth
	Loan-to-Asset Ratio
	Net Fee & Commission Growth
	Operating Expense Growth
	Net Interest Margin
	Return on Equity (ROE)
	Return on Assets (ROA)
	Cost-to-Income Ratio
	Capital Adequacy Ratio
	Non-Performing Loan (NPL) Ratio
	Net Cost of Risk
	TKYB's share in Türkiye's renewable energy capacity
	Ratio of SDG-linked loans to total portfolio
	Total amount of SDG-linked loans
	Ratio of climate and environment–related SDG-linked loans to total portfolio
	Financing amount provided for renewable energy

Performance Indicators

ENVIRONMENTAL PERFORMANCE INDICATORS				
ENERGY				
Energy consumption data – by energy use	**2021**	**2022**	**2023**	**2024**
Electricity consumption (kWh)	1,055,693	1,434,521	959,014.27	2,197,976.73 ✓
Electricity consumption (GJ)	3,800	5,164	3,452.45	7,912.72
Electricity intensity (kWh/m²)	149	102.19	68.31	156.57 ✓
Energy consumption data – by fuel type	**2021**	**2022**	**2023**	**2024**
Natural gas consumption (m³)	98,889	95,147	88,011.06	79,007.85 ✓
Natural gas consumption (GJ)	3,387	3,284	3,344.42	2,727.2
Natural gas intensity (m³/m²)	13.9	13.4	6.27	5.63 ✓
Stationary combustion – Diesel (Generator) (L)	4,758	4,320	2,340	4,190 ✓
Mobile combustion – Diesel (L)	33,175	40,974	19,546.38	9,188.12 ✓
Mobile combustion – Gasoline (L)	2,550	6,145	42,386.67	49,614.32 ✓
Energy consumption outside company boundaries	**2021**	**2022**	**2023**	**2024**
Bank-owned vehicle fuel consumption – Diesel (L)	33,175	40,974	19,546.38	9,188.12 ✓
Bank-owned vehicle fuel consumption – Diesel (GJ)	1,146	1,434	0.000698	327.09
Bank-owned vehicle fuel consumption – Gasoline (L)	2,550	6,139	42,386.67	49,614.32 ✓
Bank-owned vehicle fuel consumption – Gasoline (GJ)	82	1,146	0.0014	1,616.5
WATER				
Water consumption data (m³)	**2021**	**2022**	**2023**	**2024**
Total water consumption (m³)	2,966	3,758	5,318.69	5,186.73 ✓
Water intensity (m³/employee)	10	12.4	16.07	14.9 ✓
EMISSION				
Emission data (tonnes CO_2 equivalent)	**2021**	**2022**	**2023**	**2024**
Scope 1	1,851	364	373	365 ✓
Scope 2	-	631	421	972 ✓
Scope 1 + Scope 2	1,851	995	794	1,337 ✓
Scope 3 (excluding portfolio)	819	563	383	594.35 ✓
Scope 3 – Category 15	-	3,448,886	982,605	468,258 ✓

Performance Indicators

ENVIRONMENTAL PERFORMANCE INDICATORS				
EMISSION				
Emission data (tonnes CO_2 equivalent)	**2021**	**2022**	**2023**	**2024**
Scope 3 – Total emissions	-	3,449,009	982,988	468,843 ✓
Total emission amount Scope 1–2–3 (excluding portfolio)	-	1,558	1,177	1,921 ✓
Total emission amount Scope 1–2–3	2,670	3,450,004	983,782	470,180 ✓
Greenhouse gas emission intensity (tonnes CO_2/employee)	2.75	3.28	2.40	1.35 ✓
WASTE				
Waste amount (kg)	**2021**	**2022**	**2023**	**2024**
Total waste amount	5,679	5,315	5,048	9,482 ✓
Non-hazardous waste (kg)	**2021**	**2022**	**2023**	**2024**
Paper/Cardboard	1,941	1,661	1,947	6,604
Plastic waste	1,538	2,018	1,648	1,543
Metal waste	130	279	341	409
Glass	584	980	1,112	926
Mixed packaging	292	-	-	-
Recycled non-hazardous waste	4,485	4,938	5,048	9,482
Hazardous waste (kg)	**2021**	**2022**	**2023**	**2024**
Motor oil	370	370	-	395
Battery	8	7	-	40
Recycled hazardous waste	378	377	-	435
OTHER				
	2021	**2022**	**2023**	**2024**
Paper consumption (kg)	1,941	1,661	1,947	6,604
Installed capacity of financed renewable energy projects (MWh)	3,836	3,357	3,412	3,691.4 ✓
TKYB's share in Türkiye's renewable energy capacity (%)	%7,15	6%	6%	7% ✓
Ratio of SDG-linked loans to total portfolio (%)		79%	93%	96% ✓
Total amount of SDG-linked loans	1.2 million USD	2.5 million USD	2.6 million USD	2.5 million USD ✓

Performance Indicators

ENVIRONMENTAL PERFORMANCE INDICATORS				
OTHER				
	2021	**2022**	**2023**	**2024**
Percentage of climate- and environment-related SDG-linked loan portfolio in total portfolio (%)	48%	50%	58%	61% ✓
Number of projects subject to environmental and social risk assessment	84	112	76	59 ✓
Financing amount provided for renewable energy	177 million USD	-	1,531 million USD	1,602 million USD ✓
Annual tCO_2 emissions avoided through financed renewable energy projects	5	4.5	4.6	4.2 ✓
Risk ratings of projects assessed for environmental and social risk	**2021**	**2022**	**2023**	**2024**
A (High Risk)	-	4	-	0 ✓
B+ (Medium-High Risk)	-	21	17	7 ✓
B- (Medium Risk)	-	69	51	48 ✓
C (Low Risk)	-	18	8	4 ✓
Total	-	112	76	59 ✓

SOCIAL PERFORMANCE INDICATORS								
EMPLOYMENT								
Number of employees	**2021**		**2022**		**2023**		**2024**	
Total Number of Full-Time Employees	298		303		331		348 ✓	
Female	122	40.94%	119	39.27%	136	41.09%	148	42.53% ✓
Male	176	59.06%	184	60.73%	195	58.91%	200	57.47%
Female – Senior Level	4	66.67%	4	50.00%	4	50.00%	4	50.00% ✓
Male – Senior Level	2	33.33%	4	50.50%	4	50.00%	4	50.00%
Female – Mid Level	16	39.02%	16	32.00%	18	31.03%	26	39.39% ✓
Male – Mid Level	25	60.98%	34	68.00%	40	68.97%	40	60.61%
Number of Subcontracted Employees	-		-		30		36	
Number of Employees with Disabilities	3		4		5		6	
Employment – By Length of Service	**2021**		**2022**		**2023**		**2024**	
Number of Employees with 0–5 Years of Service – Total	69		66		72		64	

Performance Indicators

SOCIAL PERFORMANCE INDICATORS				
EMPLOYMENT				
Employment – By Length of Service	**2021**	**2022**	**2023**	**2024**
Number of Employees with 0–5 Years of Service – Female	25	21	32	31
Number of Employees with 0–5 Years of Service – Male	44	45	40	33
Number of Employees with 5–10 Years of Service – Total	87	85	102	81
Number of Employees with 5–10 Years of Service – Female	42	35	37	31
Number of Employees with 5–10 Years of Service – Male	45	50	65	50
Number of Employees with 10+ Years of Service – Total	135	147	199	203
Number of Employees with 10+ Years of Service – Female	55	63	78	86
Number of Employees with 10+ Years of Service – Male	80	84	121	117
Employment – Turnover	**2021**	**2022**	**2023**	**2024**
Number of Newly Hired Employees	53	62	75	73
Number of Newly Hired Male Employees	33	36	38	43
Number of Newly Hired Female Employees	20	25	37	30
Ratio of Newly Hired Male Employees	62%	60%	51%	59%
Ratio of Newly Hired Female Employees	38%	41%	49%	41%
Total Number of Employees Leaving	**28**	**53**	**49**	**57**
Female	-	-	**21**	**19**
Male	-	-	**28**	**38**
Employee Turnover Rate	**9.4**	**18**	**15.5**	**16.8**
Parental Leave	**2021**	**2022**	**2023**	**2024**
Number of Employees Taking Parental Leave	**9**	**12**	**12**	**16**
Female	**2**	**9**	**6**	**7**
Male	**7**	**3**	**6**	**9**

Performance Indicators

SOCIAL PERFORMANCE INDICATORS

EMPLOYMENT

Parental Leave	2021		2022		2023		2024	
Number of Employees Returning After Parental Leave (Number of Employees Returning After Maternity Leave)	9		7		12		16	
Female	2	100%	4	100%	6	100%	7	100%
Male	7	100%	3	100%	6	100%	9	100%

OCCUPATIONAL HEALTH AND SAFETY

	2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male
Number of Accidents	0	0	0	1	2	1	1	0
Number of Work-Related Fatalities	0	0	0	0	0	0	0	0
Number of Work-Related High-Severity Injuries (Excluding Fatalities)	0	0	0	0	0	0	0	0
Rate of Work-Related High-Severity Injuries (Excluding Fatalities)	0	0	0	0	0	0	0	0
Accident Frequency Rate (IR)								
Lost Day Rate (LDR)	0	0	0	0	0	0	0	0
Absence Due to Accidents	0	0	0	0	0	0	0	0
Absenteeism Rate (AR)	0	0	0	0	0	0	0	0
Occupational Disease Rate (ODR)	0	0	0	0	0	0	0	0

CAREER AND TRAINING

	2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male
Number of Employees Trained	141	200	152	208	182	239	155	187
Total Training Hours Provided	4,573.7	6,496.2	5,286	7,155	7,485	9,407	5,513	6,737

	2021	2022	2023	2024
Total Training Hours per Employee	39.5	43.5	53.3	35
Total Training Hours per Employee – Female	37	43	59.4	45
Total Training Hours per Employee – Male	40.08	41.8	49.51	55
Total Training Hours per Employee – Senior Management	11	7.8	32	9
Total Training Hours per Employee – Middle Management	20	28,4	36	22

Performance Indicators

SOCIAL PERFORMANCE INDICATORS								
CAREER AND TRAINING								
Eğitim tiplerine göre	**2021**		**2022**		**2023**		**2024**	
Total Hours of Environmental Management Training	350		323		361		356	
Total Number of Employees Attending Environmental Management Training	349		323		361		356	
Total Hours Allocated to Ethics Training	319		322		365		355	
Total Hours Allocated to Technical and Personal Development Training	11,069.9		12,441		16,891		12,250	
Total Number of Managers Receiving Anti-Corruption Training	51		64		85		85	
Total Number of Employees Receiving Anti-Corruption Training	265		259		301		271	
Hours of OHS Training Provided – Women	270		298		368		300	
Hours of OHS Training Provided – Men	444		458		568		352	
Performance Evaluation	**2021**		**2022**		**2023**		**2024**	
	Female	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
Number of Employees Receiving Personal Development Assessment	122	176	119	186	136	195	148	200

OTHER INDICATORS				
Procurement Practices	**2021**	**2022**	**2023**	**2024**
New Suppliers Screened Using Social and Environmental Criteria	-	-	29%	30%
Customer Privacy	**2021**	**2022**	**2023**	**2024**
Total Number of Substantiated Complaints Regarding Breaches of Customer Privacy	0	0	0	0
Other	**2021**	**2022**	**2023**	**2024**
Total Number of Reported Discrimination Cases	0	0	0	0
Number of Legal Actions for Anti-Competitive Behavior	0	0	0	0
Number of Internal Complaints	-	-	12	37
Number of External Complaints	-	-	25	39
Number of Published Bulletins	-	-	14	29
Number of Jobs Supported Through Projects	-		4,596	1,107

Performance Indicators

SOCIAL PERFORMANCE INDICATORS	
OTHER INDICATORS	
Number of Projects Scored by OECD DAC	**2024**
DAC 0	0 ✓
DAC 1	27 ✓
DAC 2	0 ✓

ECONOMIC PERFORMANCE INDICATORS				
Economic Performance	**2021**	**2022**	**2023**	**2024**
Direct Economic Value Generated (Thousand TRY)	1,707,185	3,351,648	7,304,770	11,195,673
Economic Value Distributed (Thousand TRY)	692,162	1,018,939	1,663,767	2,487,548
FX-Adjusted Loan Growth	13.80%	23.20%	-0.60%	0.07%
Loan/Asset Ratio	77.50%	65.90%	62.40%	61.73%
Net Fee and Commission Increase	89.70%	76.40%	58.00%	85.24%
Operating Expense Increase	24.70%	113.20%	119.60%	79.91%
Net Interest Margin	3.90%	4.10%	6.50%	7.72%
Return on Equity (ROE)	20.20%	31.10%	45.70%	38.18%
Return on Assets (ROA)	2.40%	2.40%	3.60%	4.27%
Cost/Income Ratio	11.00%	12.30%	12.40%	14.24%
Capital Adequacy Ratio	14.27%	16.66%	16.74%	17.98%
Non-Performing Loan (NPL) Ratio	2.30%	1.50%	1.00%	0.77%
Net Cost of Risk	1.90%	1.00%	0.70%	0.80%
Procurement Practices	**2021**	**2022**	**2023**	**2024**
Percentage of Local Suppliers Compared to Total Suppliers	92%	91%	95%	95%
Share of Expenditure Allocated to Local Suppliers from the Procurement Budget	93%	92%	97%	97%

GRI Content Index

Content Index – For the Essential Services, GRI Services has reviewed the GRI Content Index and determined that it is aligned with the GRI Standards' reporting requirements, and that the information in the index is presented clearly and is accessible to stakeholders. The service was conducted on the Turkish version of the report.

GRI DISCLOSURE	DECLARATION	PAGE NUMBER, REFERENCE AND/OR DIRECT RESPONSES
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
GRI 2: General Disclosures 2021	2-1 Organizational details	Overview of the Development and Investment Bank of Türkiye
	2-2 Entities included in the organization's sustainable reporting	About the Report
	2-3 Reporting period, frequency and contact point	About the Report
	2-4 Restatements of information	Materiality Analysis and Material Topics
	2-5 External assurance	Independent Assurance Report
	2-6 Activities, value chain and other business relationships	Overview of the Development and Investment Bank of Türkiye Our Value Creation Model
	2-7 Employees	Human Capital
	2-8 Workers who are not employees	Human Capital
	2-9 Governance structure and composition	Effective Corporate Governance
	2-10 Nomination and selection of the highest governance body	Effective Corporate Governance Board of Directors and Senior Management
	2-11 Chair of the highest governance body	Effective Corporate Governance Board of Directors and Senior Management
	2-12 Role of the highest governance body in overseeing the management of impacts	Effective Corporate Governance Board of Directors and Senior Management
	2-13 Delegation of responsibility for managing impacts	Effective Corporate Governance Board of Directors and Senior Management
	2-14 Role of the highest governance body in sustainability reporting	Effective Corporate Governance Board of Directors and Senior Management
	2-15 Conflicts of interest	Compliance with Corporate Principles
	2-16 Communication of critical concerns	Board of Directors and Senior Management
	2-17 Collective knowledge of the highest governance body	Board of Directors and Senior Management
	2-18 Evaluation of the performance of the highest governance body	Board of Directors and Senior Management

GRI Content Index

GRI DISCLOSURE	DECLARATION	PAGE NUMBER, REFERENCE AND/OR DIRECT RESPONSES
GRI 2: General Disclosures 2021		
GRI 2: General Disclosures 2021	2-19 Remuneration policies	Remuneration and Fringe Benefits
	2-20 Process to determine remuneration	Remuneration and Fringe Benefits
	2-21 Annual total compensation ratio	Confidentiality Constraints: The data in question is not disclosed due to confidentiality reasons, as it contains indicators that could affect market competition.
	2-22 Statement on sustainable development strategy	Responsible Banking for a Sustainable Future
	2-23 Policy commitments	Overview of the Development and Investment Bank of Türkiye
	2-24 Embedding policy commitments	Overview of the Development and Investment Bank of Türkiye
	2-25 Processes to remediate negative impacts	Business Ethics and Legal Compliance
	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics and Legal Compliance
	2-27 Compliance with laws and regulations	No unlawful developments occurred during the reporting period, and no administrative sanctions were imposed due to non-compliance with legal regulations.
	2-28 Membership associations	Memberships and Collaborations
	2-29 Approach to stakeholder engagement	Effective Stakeholder Engagement
	2-30 Collective bargaining agreements	Business Ethics and Legal Compliance
GRI 3 : Material Topics 2021		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Analysis and Material Topics
	3-2 List of material topics	Materiality Analysis and Material Topics
Customer Relationship Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis and Material Topics Customer Satisfaction
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	The disclosure is not prioritized as the Bank's activities do not directly fall under the specified items.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Performance Indicators

GRI Content Index

GRI DISCLOSURE	DECLARATION	PAGE NUMBER, REFERENCE AND/OR DIRECT RESPONSES
GRI 3 : Material Topics 2021		
Climate Change Mitigation Activities		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis and Material Topics Energy and Emission Management
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Performance Indicators
	305-2 Indirect (Scope 2) GHG emissions	Performance Indicators
	305-3 Other indirect (Scope 3) GHG emissions	Performance Indicators
	305-4 GHG emissions intensity	Performance Indicators
	305-5 Reduction of GHG emissions	Energy and Emission Management
Waste and Hazardous Materials Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis and Material Topics Waste Management
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management
	306-2 Management of significant waste-related impacts	Waste Management
	306-3 Waste generated	Performance Indicators
	306-4 Waste diverted from disposal	Performance Indicators
	306-5 Waste directed to disposal	Performance Indicators
Innovation and Automation Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis and Material Topics Digital Transformation and Innovation
Competitive Behavior		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis and Material Topics Conflict of Interest and Anti-Competitive Practices
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Conflict of Interest and Anti-Competitive Practices
Business Continuity Plans		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis and Material Topics Committees

GRI Content Index

GRI DISCLOSURE	DECLARATION	PAGE NUMBER, REFERENCE AND/OR DIRECT RESPONSES
GRI 3 : Material Topics 2021		
Effective Use of Resources		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis and Material Topics Waste Management
GRI 301: Materials 2016	301-1 Materials used by weight or volume	The disclosure is not considered a priority, as the Bank's activities do not directly relate to the specified items.
	301-2 Recycled input materials used	The disclosure is not considered a priority, as the Bank's activities do not directly relate to the specified items.
	301-3 Reclaimed products and their packaging materials	Waste Management
Employee Loyalty		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis and Material Topics Human Capital
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Performance Indicators
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Development and Welfare
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance Indicators
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Performance Indicators
	401-2 Benefits provided to full-time employees that are not provided to temporary or part–time employees	Employee Development and Welfare
	401-3 Parental leave	Performance Indicators
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis and Material Topics Safe and Healthy Work Environment
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Safe and Healthy Work Environment
	403-2 Hazard identification, risk assessment, and incident investigation	Safe and Healthy Work Environment
	403-3 Occupational health services	Safe and Healthy Work Environment
	403-4 Worker participation, consultation, and communication on occupational health and safety	Safe and Healthy Work Environment
	403-5 Worker training on occupational health and safety	Safe and Healthy Work Environment Performance Indicators

GRI Content Index

GRI DISCLOSURE	DECLARATION	PAGE NUMBER, REFERENCE AND/OR DIRECT RESPONSES
GRI 3 : Material Topics 2021		
Occupational Health and Safety		
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	Safe and Healthy Work Environment
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safe and Healthy Work Environment
	403-8 Workers covered by an occupational health and safety management system	Performance Indicators
	403-9 Work-related injuries	Performance Indicators
	403-10 Work-related ill health	Performance Indicators
Inclusive Growth and Financial Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis and Material Topics Financial Capital
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Inclusive Growth and Financial Performance
	201-2 Financial implications and other risks and opportunities due to climate change	Climate-Focused Investments and Financing
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	Responsible Banking for a Sustainable Future Inclusive Growth and Financial Performance
	203-2 Significant indirect economic impacts	Social Responsibility and Contribution Inclusive Growth and Financial Performance
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Strong Value Chain Management
Energy Management (Energy Consumption, Electricity Production)		
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis and Material Topics Energy and Emission Management
GRI 302 : Energy 2016	302-1 Energy consumption within the organization	Performance Indicators
	302-2 Energy consumption outside of the organization	Performance Indicators
	302-3 Energy intensity	Performance Indicators
	302-4 Reduction of energy consumption	Energy and Emission Management
	302-5 Reductions in energy requirements of products and services	Energy and Emission Management

Memberships and Collaborations

DOMESTIC ASSOCIATION MEMBERSHIPS		INTERNATIONAL ASSOCIATION MEMBERSHIPS	
	Sustainable Development Association (SKD Türkiye)		UN Global Compact
	The Banks Association of Türkiye (TBB)		Carbon Disclosure Project (CDP)
	Turkish Standards Institution (TSE)		UNEP FI
	Integrated Reporting Association Türkiye (ERTA)		GIIN
	UN Global Compact Türkiye		UN Development Programme
	Impact Investing Advisory Board (EYDK)		Global Reporting Initiative (GRI)
			Operating Principles for Impact Management
			Sustainalytics

UNEP-FI Principles for Responsible Banking

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	COMPREHENSIVE SUMMARY OF THE BANK'S RESPONSE	FULL RESPONSE OR RELEVANT INFORMATION LINKS OF THE BANK
	PRINCIPLE 1: ALIGNMENT **WE WILL ALIGN OUR BUSINESS STRATEGY WITH PEOPLE'S NEEDS AND SOCIETAL GOALS, AS EXPRESSED IN THE SUSTAINABLE DEVELOPMENT GOALS, THE PARIS CLIMATE AGREEMENT, AND RELEVANT NATIONAL AND REGIONAL FRAMEWORKS, AND CONTRIBUTE TO THESE OBJECTIVES.**	
1.1 Describe the Bank's business model in detail, including its main customer groups, types of products and services, key sectors, types of activities, and the technologies financed across the geographies in which the Bank operates.	In line with the United Nations Sustainable Development Goals and Türkiye's 2053 net-zero emissions target, Türkiye Development and Investment Bank (TKYB) offers comprehensive support to investors through its strong financial structure, highly qualified human resources, and innovative product and service portfolio. The Bank's core objective is to contribute to the development of the national economy under the 12th Development Plan by strengthening strategic sectors that reduce imports and boost exports. To achieve this, the Bank provides loans, equity support, partnership opportunities, and consultancy services to value-adding companies, thereby contributing significantly to Türkiye's structural transformation and the democratization of capital. The Bank's primary mission is to finance sustainable development. Through its reputable national and international presence and the opportunities it offers, TKYB has become a key actor in both the business world and the banking sector. By offering merger and acquisition services, capital market products, and financial advisory, it plays a pioneering role in enabling firms to access both domestic and international funding sources. TKYB's operations and services are structured around three main pillars: Project Finance and Corporate Loans, Investment Banking, and the Türkiye Development Fund. In addition, the Bank goes beyond the role of a traditional lender by leveraging its extensive experience in technical consultancy, sharing its technical know-how and expertise with business partners throughout the investment process. It also integrates investment banking products and capital market instruments with sustainable development goals, aligning its banking operations with sustainability principles. The Bank supports industrial and tourism investments and contributes to SMEs through APEX banking. It also promotes social development by financing projects in education and healthcare, while advancing environmental sustainability through its support for renewable energy and energy efficiency projects. Furthermore, through collaborations with international development institutions, the Bank supports projects focused on green finance and low-carbon technologies. TKYB not only provides direct lending but also channels international financial resources into Türkiye's sustainability-focused projects. In particular, climate finance agreements developed with institutions such as the World Bank, KfW, AFD, and the OPEC Fund support the advancement of low-carbon production infrastructure.	2024 Integrated Report: Overview of the Development and Investment Bank of Türkiye Operations of Development and Investment Bank of Türkiye About TKYB Areas of Activity Impacts on Strategy and Business Model

UNEP-FI Principles for Responsible Banking

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	COMPREHENSIVE SUMMARY OF THE BANK'S RESPONSE	FULL RESPONSE OR RELEVANT INFORMATION LINKS OF THE BANK
	PRINCIPLE 1: ALIGNMENT **WE WILL ALIGN OUR BUSINESS STRATEGY WITH PEOPLE'S NEEDS AND SOCIETAL GOALS, AS EXPRESSED IN THE SUSTAINABLE DEVELOPMENT GOALS, THE PARIS CLIMATE AGREEMENT, AND RELEVANT NATIONAL AND REGIONAL FRAMEWORKS, AND CONTRIBUTE TO THESE OBJECTIVES.**	
1.2 Explain how the Bank's strategy has been aligned with and/or is planned to contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Agreement, and relevant national and regional frameworks.	Türkiye Development and Investment Bank (TKYB) has undergone a comprehensive transformation to align its strategic direction with the Sustainable Development Goals (SDGs), the Paris Agreement, and national development priorities. In this context, the Bank's business model, investment priorities, and risk management approaches have been fully integrated with these global and national objectives. As of 2024: SDG Alignment: The Bank maps all financed projects to relevant SDGs and reports its annual portfolio analysis 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 particularly prioritized. Paris Agreement Alignment: TKYB is aligning its operations with the 1.5°C target, aiming to reduce Scope 1 and 2 emissions by 40% by 2030 compared to the 2023 baseline. Emission reduction plans are supported by a shift toward low-carbon technologies and the use of thematic financial instruments such as green bonds and sustainable sukuk. Alignment with National and Regional Frameworks: The Bank updates its strategic objectives in line with Türkiye's Nationally Determined Contributions (NDC), the Twelfth Development Plan, and the Green Deal Action Plan. In 2024, financing volumes were significantly increased in areas such as renewable energy, energy efficiency, incorporation of climate risks into the financial system, and circular economy investments. In addition, TKYB monitors its contribution to sustainable development quantitatively through the integration of the UNEP FI Portfolio Impact Analysis Tool and ESG risk assessment systems. Implementation of strategic goals is overseen through robust governance structures.	2024 Integrated Report: Effective Stakeholder Engagement Effective Corporate Governance TKYB Value Creation Model

UNEP-FI Principles for Responsible Banking

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	COMPREHENSIVE SUMMARY OF THE BANK'S RESPONSE	FULL RESPONSE OR RELEVANT INFORMATION LINKS OF THE BANK
	PRINCIPLE 2: OUR IMPACT AND TARGET SETTING ACTIVITIES WILL REDUCE THE NEGATIVE EFFECTS OF OUR PRODUCTS AND SERVICES ON PEOPLE AND THE ENVIRONMENT, MANAGE RISKS, AND CONTINUOUSLY INCREASE OUR POSITIVE IMPACTS. TO THIS END, WE WILL SET AND PUBLISH TARGETS IN AREAS WHERE WE CAN CREATE THE GREATEST IMPACT.	
2.1 Impact Analysis: **Demonstrate that the Bank has identified the areas where it has the most significant positive and negative impacts through an impact analysis tool that meets the following criteria:** **a) Scope: The analysis covered the Bank's core business areas, products/services, and the geographies in which it operates, as described in Section 1.1.** **b) Scale of Disclosure: In identifying its areas of greatest impact, the Bank considered its main activities and related industries, technologies, and regions.** **c) Context and Relevance: The Bank took into account the most relevant sustainable development challenges and priorities in the countries/regions where it operates.** **d) Scale and Intensity/Significance of Impact: The Bank considered the scale and intensity/significance of (potential) social, economic, and environmental impacts arising from its operations and the delivery of its products and services.** **(The Bank should have engaged with relevant stakeholders to inform its analysis under items c) and d).)** **Based on this analysis, demonstrate that:** **The Bank has identified and disclosed the areas where it has the most significant (potential) positive and negative impacts.** **The Bank has identified strategic business opportunities to enhance positive impacts and mitigate negative ones.**	In line with its sustainable development objectives, Türkiye Development and Investment Bank (TKYB) maintains regular communication with its stakeholders through various channels and shapes its strategic direction by taking into account their priorities, expectations, and needs. Accordingly, the Bank conducts comprehensive analyses of the social, environmental, and economic impacts arising both from its own operations and from the projects it finances. In 2024, the Bank updated its materiality analysis, which informs its sustainability strategy. This analysis was conducted based on internal and external stakeholder input, national and international developments, sector-specific risks and opportunities, and the impacts of the Bank's core activities. The resulting materiality matrix enabled the Bank to identify areas with the highest potential for impact in line with its national development, green transition, and social impact goals. Among the top-priority areas identified are: Corporate Performance within the Framework of Sustainable Finance Climate Risks and Scenario Analysis Financial Stability and Risk Resilience Business Ethics and Anti-Corruption These high-priority areas shape the Bank's strategic direction and represent the areas where its operations have the greatest potential for positive or negative impact. In particular, the Bank evaluates both direct and indirect impacts in the areas of sustainable finance, climate scenarios, resilient financial structures, and ethical governance. The Bank also continuously monitors and integrates the following priority topics into its strategic decision-making processes: Customer Satisfaction Employee Engagement and Talent Management Biodiversity and Conservation of Natural Life Stakeholder Capitalism and Transparency Cybersecurity and Data Privacy These areas are especially relevant to the Bank's human resource management, customer relations, digitalization efforts, and environmental footprint. When defining the scope of impact areas, the Bank considered its three core business lines—development banking, investment banking, and the Türkiye Development Fund—as well as the industries they are associated with (e.g., energy, industry, agriculture, health, education) and projects conducted across all regions of Türkiye. In 2024, the Sustainability Committee utilized tools such as Social Return on Investment (SROI) analyses, environmental performance evaluations, and climate scenarios to identify priority impact areas and translate them into strategic opportunities. In alignment with the UNEP FI Principles for Responsible Banking and the United Nations Global Compact (UNGC), the Bank not only measures its impacts but also regularly reports on how it manages these impacts and transforms them into business opportunities. As a founding member of the Turkish Advisory Board on Impact Investing (EYDK) and a signatory to the 2022 Operating Principles for Impact Management, the Bank plays a leading role in building a robust impact investment ecosystem in Türkiye. Moreover, thematic financing agreements with institutions such as the World Bank, JBIC, AIIB, and CDB further demonstrate the Bank's strategic partnerships to enhance positive impacts and mitigate negative ones. Updated our materiality analysis and reviewed focus areas. Began impact analysis efforts and will continue improving them. Through this work, we are fulfilling Impact Analysis requirements.	2024 Integrated Report: Materiality Analysis and Material Topics Geographic, Sectoral, and Asset-Based Concentration of Risks and Opportunities

UNEP-FI Principles for Responsible Banking

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	COMPREHENSIVE SUMMARY OF THE BANK'S RESPONSE	FULL RESPONSE OR RELEVANT INFORMATION LINKS OF THE BANK
	PRINCIPLE 2: OUR IMPACT AND TARGET SETTING ACTIVITIES WILL REDUCE THE NEGATIVE EFFECTS OF OUR PRODUCTS AND SERVICES ON PEOPLE AND THE ENVIRONMENT, MANAGE RISKS, AND CONTINUOUSLY INCREASE OUR POSITIVE IMPACTS. TO THIS END, WE WILL SET AND PUBLISH TARGETS IN AREAS WHERE WE CAN CREATE THE GREATEST IMPACT.	
2.2 Target Setting **Demonstrate that the Bank has set and disclosed at least two SMART targets—Specific, Measurable (qualitative or quantitative), Achievable, Relevant, and Time-bound—addressing at least two of the areas where it has the most significant impact due to its operations, products, and services. Show that these targets are linked to and contribute to the relevant Sustainable Development Goals (SDGs), the goals of the Paris Agreement, and other applicable international, national, or regional frameworks. The Bank should have defined a baseline year (benchmark) against which these targets have been set.** **Demonstrate that the Bank has analyzed and is aware of any significant (potential) negative impacts these targets may have on other aspects of the SDGs, climate change, or broader societal goals, and that it has taken steps to minimize such impacts through appropriate actions to maximize the net positive outcomes of the targets.**	In line with its role in supporting sustainable development, Türkiye Development and Investment Bank (TKYB) sets measurable and time-bound targets aligned with societal priorities, both through its own operations and the products and services it provides. These targets are directly linked to the United Nations Sustainable Development Goals (SDGs), the Paris Agreement, and Türkiye's 2053 net-zero emissions target. As of 2024, the Bank has published the following SMART targets in its key impact areas of climate action, low-carbon development, financial resilience, and social inclusion: Target 1: Reduction of Direct (Scope 1) Emissions Target: Reduce Scope 1 emissions to 186.63 tCO_2e by 2030, using 2023 as the baseline year. Baseline Year: 2023 Target Year: 2030 Linked SDG: SDG 13 – Climate Action Alignment with the Paris Agreement: This is an absolute emission reduction target contributing to the transition to a net-zero economy. Potential Negative Impact and Mitigation Measures: While emission reduction is targeted in financed projects, it may pose financial challenges that could constrain production. To mitigate social impacts, the Bank provides transition finance, technology support, and advisory services to ensure a just and balanced transformation. Target 2: Increasing Finance for Energy Efficiency Investments Target: Ensure a year-over-year increase in the total financing provided for energy efficiency investments, compared to 2024. Baseline Year: 2024 Target Year: 2030 (progress is monitored annually) Linked SDGs: SDG 7 – Affordable and Clean Energy, SDG 12 – Responsible Consumption and Production Alignment with the Paris Agreement: Aims to reduce greenhouse gas emissions by financing energy-efficient systems. Potential Negative Impact and Mitigation Measures: While large-scale transformation projects may improve energy efficiency, smaller enterprises may struggle with investment costs. To address this, the Bank offers low-interest loan options and technical advisory services for SMEs, reducing the risk of social inequality.	2024 Integrated Report: 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 in the Bank's focus areas are disclosed through the Integrated Report, thereby fulfilling the target-setting requirements.

UNEP-FI Principles for Responsible Banking

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	COMPREHENSIVE SUMMARY OF THE BANK'S RESPONSE	FULL RESPONSE OR RELEVANT INFORMATION LINKS OF THE BANK
	PRINCIPLE 2: OUR IMPACT AND TARGET SETTING ACTIVITIES WILL REDUCE THE NEGATIVE EFFECTS OF OUR PRODUCTS AND SERVICES ON PEOPLE AND THE ENVIRONMENT, MANAGE RISKS, AND CONTINUOUSLY INCREASE OUR POSITIVE IMPACTS. TO THIS END, WE WILL SET AND PUBLISH TARGETS IN AREAS WHERE WE CAN CREATE THE GREATEST IMPACT.	
2.3 Implementation and Monitoring of Targets Demonstrate the activities and milestones the Bank has established to achieve the defined targets. Show that the Bank has developed methodologies to measure and monitor progress toward these targets. The definitions of Key Performance Indicators (KPIs), any changes made to these definitions, and any adjustments to the baseline year of the targets must be transparently disclosed.	Türkiye Development and Investment Bank (TKYB) has established concrete action plans and measurable milestones to achieve its defined sustainability targets. To ensure the targets are both actionable and trackable, the Bank has developed a monitoring infrastructure based on performance indicators. Key activities identified for the implementation of these targets include: Increasing the issuance of sustainable-themed bonds and sukuk, Providing financing for renewable energy and energy efficiency investments, Raising the proportion of women employees above 30%, Implementing biodiversity management plans, Increasing the share of projects with grievance mechanisms and stakeholder engagement plans, Expanding the number of ESG training hours, Continuously improving OHS indicators with a "zero fatalities" objective. Key Performance Indicators (KPIs): The performance indicators developed to monitor TKYB's targets are updated annually and reported transparently. They include: Scope 1, 2, and 3 emissions (base year: 2023) ESG training hours per employee (≥1.5 hours) Female employee ratio (≥30%) Share of project sites with biodiversity plans Ratio of loans subjected to sustainability risk assessment Amount of financing provided for energy investments Loan portfolio distribution according to DAC classification (target: DAC 1 ≥ 50%) Monitoring Methods and Transparency: To ensure the implementability of its targets: KPI definitions are revised annually, Baseline years (e.g., 2023, 2024) are updated as needed, Comparisons between targets and actual performance are published in tabular form. Through this structure, TKYB quantitatively measures its contribution to sustainable development goals and adopts a continuous improvement-oriented management approach by gaining deeper insight into its impacts.	2024 Integrated Report: Corporate Governance Performance Sustainability Policies and Commitments Impact Management and International Alignment Energy and Emissions Management Waste Management Diversity and Inclusion Safe and Healthy Work Environment Stakeholder Capitalism and Transparency Metrics and Targets

The requirements related to the implementation and monitoring of targets are fulfilled through the definition and tracking of activities within the Bank.

UNEP-FI Principles for Responsible Banking

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	COMPREHENSIVE SUMMARY OF THE BANK'S RESPONSE	FULL RESPONSE OR RELEVANT INFORMATION LINKS OF THE BANK
	PRINCIPLE 2: OUR IMPACT AND TARGET SETTING ACTIVITIES WILL REDUCE THE NEGATIVE EFFECTS OF OUR PRODUCTS AND SERVICES ON PEOPLE AND THE ENVIRONMENT, MANAGE RISKS, AND CONTINUOUSLY INCREASE OUR POSITIVE IMPACTS. TO THIS END, WE WILL SET AND PUBLISH TARGETS IN AREAS WHERE WE CAN CREATE THE GREATEST IMPACT.	
2.4 Progress Made in Implementing Targets **For each target, demonstrate the activities the Bank has implemented to achieve the set goal. If certain planned activities could not be carried out or required modification, explain the reasons and describe how the Bank has adapted its plan to remain on track toward achieving the target.** **Report the progress the Bank has made over the past 12 months (or within 18 months following the first reporting after becoming a signatory) toward each of the defined targets, as well as the impact of that progress. Where applicable, banks should include quantitative disclosures.**	Scope 1 Emissions (Direct): The target is to reduce direct emissions to 186.63 tCO_2e by 2030, based on the 2023 baseline. As of 2024, an 8% reduction in Scope 1 emissions has been achieved. This progress is attributed to energy efficiency-enhancing practices and operational improvements aimed at reducing the carbon footprint. Scope 2 Emissions (Electricity-related): The target is to reduce electricity-related emissions to 201.5 tCO_2e by 2030. By 2024, an 8% reduction has been recorded. This improvement stems from reduced electricity consumption and a shift toward lower carbon intensity energy sources. Scope 3 Emissions – Category 15 (Investments): A methodology was developed from scratch to measure indirect emissions from investments. The first comprehensive measurement studies were completed in 2024. Share of Projects with Biodiversity Management Plans (BMP): The goal is to increase the implementation of BMPs in projects located in critical habitats. In 2024, a systematic evaluation process was established, and implementation levels began to be tracked annually. Occupational Health and Safety (OHS) Performance Indicators: The target is zero fatalities and a reduction in accident frequency. OHS metrics are analyzed annually, and preventive action plans are developed to address identified risks. Average ESG Training Hours per Employee: A minimum of 1.5 hours of annual ESG training per employee is targeted. Awareness modules have been expanded internally, and training plans have been diversified based on department-specific needs. Women Employee Ratio: The target is to raise the proportion of women employees above 30%. As of 2024, this metric is being tracked under equal opportunity policies, and gender equality is considered in recruitment and promotion processes. Share of Loans Subject to Sustainability Risk Assessment: A system has been established to ensure that environmental and social risks are evaluated in all credit allocations. Share of Projects with Grievance Mechanisms and Stakeholder Engagement Plans: As of 2024, these mechanisms are implemented in all relevant projects. Share of ESG Investments in Total Portfolio: An "increasing trend" has been set as the target for this indicator. The Bank analyzes the share of sustainability-themed investments in its annual portfolio and aims to align its investment strategy accordingly. Data collection efforts based on thematic investment analysis continued throughout 2024. Issuance of Sustainability-Themed Bonds / Sukuk: The Bank aims to increase the issuance of sustainability-themed bonds and sukuk. Market conditions are closely monitored, and thematic issuance planning is reviewed annually. This target holds strategic importance for diversifying sustainable finance instruments.	2024 Integrated Report: Energy and Emissions Management Waste Management Safe and Healthy Work Environment Diversity and Inclusion Employee Development and Well-being Stakeholder Capitalism and Transparency Impact Management and International Alignment Investment and Financing Activities Inclusive Growth and Financial Performance Metrics and Targets

UNEP-FI Principles for Responsible Banking

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	COMPREHENSIVE SUMMARY OF THE BANK'S RESPONSE	FULL RESPONSE OR RELEVANT INFORMATION LINKS OF THE BANK
	PRINCIPLE 2: OUR IMPACT AND TARGET SETTING ACTIVITIES WILL REDUCE THE NEGATIVE EFFECTS OF OUR PRODUCTS AND SERVICES ON PEOPLE AND THE ENVIRONMENT, MANAGE RISKS, AND CONTINUOUSLY INCREASE OUR POSITIVE IMPACTS. TO THIS END, WE WILL SET AND PUBLISH TARGETS IN AREAS WHERE WE CAN CREATE THE GREATEST IMPACT.	
	Amount of Financing for Energy Efficiency Investments: The Bank aims to increase financing for energy efficiency-themed investments. As of 2024, the volume of financing allocated to this area is being monitored annually, with priority given to projects that contribute to sustainable development. Amount of Financing for Renewable Energy: The target is to increase the amount of financing provided for renewable energy investments. Efforts in this area continued throughout 2024, with financial resources directed toward supporting the transition to low-carbon energy solutions.	

Through this report, the Bank's 2024 performance has been shared with all stakeholders, thereby fulfilling the progress reporting requirements related to target setting.

UNEP-FI Principles for Responsible Banking

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	COMPREHENSIVE SUMMARY OF THE BANK'S RESPONSE	FULL RESPONSE OR RELEVANT INFORMATION LINKS OF THE BANK
	PRINCIPLE 3: WE WILL WORK RESPONSIBLY WITH OUR CLIENTS TO PROMOTE SUSTAINABLE PRACTICES AND DELIVER ECONOMIC ACTIVITIES THAT CREATE SHARED PROSPERITY FOR CURRENT AND FUTURE GENERATIONS.	
3.1 Present the policies and practices the Bank currently implements or plans to implement to foster responsible relationships with its clients. These programs and activities—whether ongoing or planned—should be described in detail, including their scope, scale, and, where applicable, their outcomes.	Adoption of Impact Management Principles: As of 2024, the Bank has implemented the Operating Principles for Impact Management. Within this framework, an impact-oriented client relationship model has been adopted, covering key phases such as strategic intent, structuring, portfolio management, exit strategy, and independent verification. Project finance operations and Türkiye Development Fund applications are now managed through an "impact lens" approach. Sustainability-Themed Credit Portfolio: By the end of 2024, 96% of the Bank's portfolio consisted of sustainability-themed loans. These loans contribute—either directly or indirectly—to 15 of the United Nations Sustainable Development Goals (SDGs). Financial support provided to clients is structured not only around economic return but also environmental and social impact considerations. International Partnerships and Thematic Credit Programs: The Bank has signed sustainable development-focused loan agreements with international institutions such as the World Bank, Japan International Cooperation Agency (JICA), Asian Infrastructure Investment Bank (AIIB), and China Development Bank (CDB). These collaborations support clients through both financial resources and institutional capacity-building mechanisms. ESG Risk Assessment Process: The Bank applies an Environmental, Social, and Governance (ESG) screening system throughout its credit allocation process. This enables a detailed assessment of sustainability risks associated with borrowers, and action plans are developed where necessary to mitigate identified risks. Grievance Mechanism and Stakeholder Engagement Plan: In 2024, a systematic monitoring structure for grievance mechanisms is being implemented, allowing client feedback and complaints to be handled in a transparent and accountable manner. At the project level, stakeholder engagement plans are integrated with social impact assessments. Information Security and Customer Data Management: The Bank has obtained ISO 27001 (Information Security Management System) and ISO 27701 (Privacy Information Management System) certifications, ensuring that customer data is securely processed and stored in compliance with global data privacy standards.	2024 Integrated Report: Customer Satisfaction Strong Value Chain Management Investment and Financing Activities

UNEP-FI Principles for Responsible Banking

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	COMPREHENSIVE SUMMARY OF THE BANK'S RESPONSE	FULL RESPONSE OR RELEVANT INFORMATION LINKS OF THE BANK
	PRINCIPLE 3: WE WILL WORK RESPONSIBLY WITH OUR CLIENTS TO PROMOTE SUSTAINABLE PRACTICES AND DELIVER ECONOMIC ACTIVITIES THAT CREATE SHARED PROSPERITY FOR CURRENT AND FUTURE GENERATIONS.	
3.2 Describe how the Bank works or plans to work with its clients to promote sustainable practices and enable sustainable economic activities. This description should include information on the planned or implemented actions, developed products and services, and, where applicable, the outcomes achieved.	Türkiye Development and Investment Bank (TKYB) considers close collaboration with its clients a strategic priority in achieving sustainable development goals. To this end, the Bank implements various initiatives and plans new projects to promote sustainable economic activities by offering both financing instruments and advisory services. Sustainability-Themed Credit Portfolio and Impact Management Approach: As of the end of 2024, 96% of the Bank's total loan portfolio consists of sustainability-themed loans. Through this portfolio, the Bank has contributed—directly or indirectly—to 15 of the 17 Sustainable Development Goals (SDGs). The principles of impact management are applied throughout credit evaluation processes, and each client's environmental, social, and economic impacts are considered in structuring decisions. Financing of Renewable Energy and Energy Efficiency Projects: To support Türkiye's net-zero targets, TKYB has financed 7% of the country's renewable energy projects, playing a transformative role in the sector. The Bank's lending to hydro, solar, wind, biomass, and geothermal projects has contributed to the avoidance of 4.2 million tons of CO_2 emissions. As of 2024, 68% of the total loan portfolio is allocated to renewable energy and energy efficiency projects. Sustainable Financing Through International Partnerships: Through agreements with international financial institutions such as the World Bank, JICA, AIIB, and the China Development Bank, TKYB offers sustainability-linked credit products to its clients. Collaborations with institutions such as the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) further support the green transition of businesses in Türkiye. Capacity Building and Advisory Support: To support clients in transitioning to sustainable business models, the Bank provides advisory services, access-to-sustainable-finance training programs, and project development assistance. Additionally, internal and external training sessions are planned to enhance technical capacity in sustainability. Strategic Alignment and Contribution to Net-Zero Goals: TKYB has committed to achieving net-zero emissions by 2050 and prioritizes investments that reduce the carbon footprint of its portfolio in line with this goal.	2024 Integrated Report: Effective Stakeholder Communication Stakeholder Capitalism and Transparency Impact Management and International Alignment

UNEP-FI Principles for Responsible Banking

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	COMPREHENSIVE SUMMARY OF THE BANK'S RESPONSE	FULL RESPONSE OR RELEVANT INFORMATION LINKS OF THE BANK
	PRINCIPLE 4: **WE WILL PROACTIVELY AND RESPONSIBLY ENGAGE WITH RELEVANT STAKEHOLDERS TO SUPPORT THE ACHIEVEMENT OF SOCIETAL GOALS, ESTABLISHING INTERACTION AND PARTNERSHIPS WITH THEM.**	
4.1 Describe which stakeholders (or stakeholder groups/types) the Bank has consulted, engaged with, collaborated with, or partnered with to implement these Principles and enhance their impact. This explanation should include a detailed account of how the Bank identifies relevant stakeholders, the issues addressed through these interactions, and the outcomes achieved.	In alignment with the Impact Management Principles, Türkiye Development and Investment Bank (TKYB) places its stakeholders at the core of its value creation process throughout its journey toward achieving sustainable development goals. To maximize the social, environmental, and economic impact of its activities, the Bank has established a regular, systematic, and multi-channel engagement mechanism with various stakeholder groups. Stakeholder Identification and Prioritization TKYB identifies and prioritizes stakeholders based on the degree to which they affect or are affected by the Bank's activities. Stakeholders are grouped in alignment with strategic priorities and include employees, clients, investors, international financial institutions, public authorities, non-governmental organizations (NGOs), regulatory and supervisory bodies, academia, and suppliers. Consultation and Participation Processes The Bank manages its stakeholder relationships based on the principles of transparency, mutual value creation, and continuous dialogue. Within the scope of activities conducted in 2024: • Feedback was collected from clients regarding sustainable credit criteria, ESG assessments, and grievance mechanisms. • Sustainable finance agreements were signed, and technical support projects were implemented in collaboration with international financial institutions (e.g., AIIB, EBRD, JICA). • Joint efforts were carried out with public institutions (e.g., Ministry of Treasury and Finance, Ministry of Environment, Urbanization and Climate Change) on sustainable development financing models. • Information exchange was conducted with NGOs on topics such as reducing environmental and social risks, promoting gender equality, and enhancing transparency. • Engagement with employees was facilitated through internal communication platforms, surveys, and training activities, with employee expectations integrated into performance evaluation processes. Partnerships and Participatory Platforms To ensure alignment with the Impact Management Principles, the Bank incorporates stakeholder input into external assurance processes and the preparation of its Impact Report. It also participates in multistakeholder platforms such as the Türkiye Sustainable Finance Forum, CORE Days, and the Sustainable Banking Summit to foster collective knowledge generation. Within the scope of the COMCEC cooperation protocol, a multilateral collaboration model has been adopted for international development projects. Outcomes and Impacts Achieved Through these engagement efforts, TKYB has: • Strengthened its credit structuring practices based on impact criteria, • Enhanced its grievance mechanism and ESG screening systems in response to stakeholder feedback, • Developed tools to monitor the carbon footprint of its portfolio and track positive social impacts.	2024 Integrated Report: Effective Stakeholder Communication Impact Management and International Alignment

UNEP-FI Principles for Responsible Banking

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	COMPREHENSIVE SUMMARY OF THE BANK'S RESPONSE	FULL RESPONSE OR RELEVANT INFORMATION LINKS OF THE BANK
	PRINCIPLE 5: GOVERNANCE AND CULTURE **WE WILL DEMONSTRATE OUR COMMITMENT TO THE PRINCIPLES THROUGH EFFECTIVE GOVERNANCE AND A RESPONSIBLE BANKING CULTURE.**	
5.1 Describe the governance structure, policies, and procedures that the Bank currently has in place—or plans to implement—to manage its significant positive and (potential) negative impacts and to support the effective implementation of the Principles.	Governance Structure, Policies, and Procedures Türkiye Development and Investment Bank (TKYB) continuously strengthens its institutional governance framework to support investments that contribute to sustainable development and to effectively manage the social, environmental, and economic impacts of these investments. Governance Structure: Sustainability management at TKYB is overseen by the Sustainability Committee, which operates under the direct authority of senior management. The Committee ensures the implementation of the Bank's sustainability strategies, the monitoring of sustainability targets, and the coordination of policy updates. Dedicated working groups formed under the Committee—comprising representatives from various business units—focus on key areas such as impact management, environmental and social risk assessment, stakeholder engagement, and sustainable finance. Policies and Strategies: The Bank's operations are guided by a set of policy documents rooted in sustainability principles and objectives: Environmental and Social Policy: Provides the framework for identifying, preventing, and mitigating direct and indirect environmental and social impacts across all operations. Climate Change Mitigation and Adaptation Policy: Sets targets for the measurement, monitoring, and reduction of greenhouse gas emissions arising from the Bank's activities, supporting its net-zero emissions vision. Environmental and Social Risk Assessment Procedure in Lending: Requires comprehensive ESG risk assessments to be conducted for all lending activities. Organizational Structure and Operational Procedures: Under the Integrated Management System implemented in 2021, quality, environmental, and occupational health and safety management processes have been made a shared responsibility across all Bank units. In addition, the Sustainability and Environmental Social Impact Management Unit was established and is responsible for preparing Environmental and Social Risk Assessment Reports for all credit evaluation processes. As of 2024, this unit has conducted impact analyses for 59 projects. Reporting, Performance Monitoring, and Continuous Improvement: The Bank's greenhouse gas emission data is externally verified annually and voluntarily reported under the CDP Climate Change Program. ESG assessments are fully integrated into the credit allocation processes, and as of 2024, the entire loan portfolio has undergone ESG screening. Performance indicators related to corporate sustainability targets are regularly monitored and updated (e.g., reduction in Scope 1 and 2 emissions, increase in the proportion of loans subjected to ESG assessment). 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 sustainability principles and its application of globally recognized corporate governance standards.	2024 Integrated Report: Sustainability and Risk Governance Structure Corporate Governance Performance Sustainability Committee Impact Management and International Alignment

UNEP-FI Principles for Responsible Banking

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	COMPREHENSIVE SUMMARY OF THE BANK'S RESPONSE	FULL RESPONSE OR RELEVANT INFORMATION LINKS OF THE BANK
	PRINCIPLE 5: GOVERNANCE AND CULTURE **WE WILL DEMONSTRATE OUR COMMITMENT TO THE PRINCIPLES THROUGH EFFECTIVE GOVERNANCE AND A RESPONSIBLE BANKING CULTURE.**	
5.2 Describe the initiatives and measures the Bank currently implements—or plans to implement—to foster a culture of responsible banking among its employees. **This explanation should include, among other aspects, detailed information on capacity building, remuneration structure, performance management, and leadership communication.**	Türkiye Development and Investment Bank (TKYB) considers the integration of responsible banking principles across the organization and the strengthening of this culture among employees as a strategic priority. In this context, the Bank has implemented comprehensive policies and practices covering areas such as ethical conduct, leadership development, and employee engagement. Ethical Culture and Compliance Management: TKYB operates an active Ethics Commission, and all employees are expected to comply with the Code of Ethics and the Banking Ethics Principles of the Banks Association of Türkiye. Every employee signs the "Code of Ethics, Compliance, Information Security, Data Privacy, and Confidentiality Statement," which is regularly updated. An Ethics Hotline has been established to allow employees to report unethical behavior directly to senior management. The Bank reinforces transparency and accountability through its "Anti-Money Laundering and Combating the Financing of Terrorism" and "Conflict of Interest" policies. Performance and Remuneration Structure: All human resources processes are based on merit, and employee performance is evaluated through a system built on competencies, objectives, and outcomes. Performance evaluations are conducted by two managers, with transparent feedback provided to the employee. The remuneration policy is based on "equal pay for equal work" and "performance-based compensation." The Remuneration Committee and Human Resources Department are responsible for updating and auditing the compensation system. Training, Development, and Leadership Programs: The Bank implements a strategic training policy for all employees under the Training Management Procedure. As of 2024, 342 employees received a total of 12,250 hours of training, averaging 53.3 hours per person. Training topics include environmental management, occupational health and safety (OHS), ethics, anti-corruption, technical, and personal development. Online and in-person training are conducted in parallel, and special Leadership Development Programs are offered to management. In 2024, upper management received an average of 9 training hours, while mid-level management received an average of 22 hours. Additionally, university discount agreements have been arranged for employees pursuing graduate or doctoral degrees, and these opportunities have been communicated across the organization. Access to Information and Internal Communication: Department-specific journal and database subscriptions are provided to support access to relevant information. Through these initiatives, TKYB aims to ensure that employees act in alignment with the Bank's vision, embrace responsible banking principles, and contribute meaningfully to the Bank's sustainability goals.	2024 Integrated Report: Employee Development and Well-being Safe and Healthy Work Environment Compensation Bank Employees Internal Audit Environmental and Social Risk Management

UNEP-FI Principles for Responsible Banking

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	COMPREHENSIVE SUMMARY OF THE BANK'S RESPONSE	FULL RESPONSE OR RELEVANT INFORMATION LINKS OF THE BANK
	PRINCIPLE 5: GOVERNANCE AND CULTURE **WE WILL DEMONSTRATE OUR COMMITMENT TO THE PRINCIPLES THROUGH EFFECTIVE GOVERNANCE AND A RESPONSIBLE BANKING CULTURE.**	
5.3 Governance and Culture – Governance Structure for Implementing the Principles **Demonstrate that the Bank has a governance structure in place to support the implementation of the Principles for Responsible Banking.** **This structure should include mechanisms for:** **a) Setting targets and carrying out actions to achieve them,** **b) Taking corrective actions in cases where targets or key milestones are not met, or where unexpected negative impacts are identified.**	Türkiye Development and Investment Bank (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 review of targets, and allows for corrective actions when needed. Strategic Governance Structure and Coordination Mechanism: At the Board of Directors level, internal policies are developed to establish sustainability strategies and uphold the principles of corporate governance—fairness, transparency, accountability, and responsibility. The Ethics Commission ensures compliance with responsible banking principles, monitors ethical conduct, and oversees internal audit mechanisms. Since 2021, the Sustainability Committee has been responsible for shaping the Bank's sustainability strategies, creating policies, and integrating them into operations. The Committee works in coordination with internal units and convenes at least twice a year to assess sustainability performance and developments. The Sustainability Working Group, which operates under the Committee, carries out technical assessments, data collection, target tracking, and reporting. Target Setting and Implementation of Activities (a): TKYB sets short-, medium-, and long-term targets to support sustainable development and reduce environmental and social risks. In alignment with these targets, the Bank structures its investment loans, APEX credits, and technical assistance programs in accordance with responsible banking principles. Progress toward these goals is tracked annually. For example, in 2024, the Bank met its target of achieving a 96% share of sustainability-themed loans in its total portfolio. TKYB also defines quantified performance targets in areas such as carbon footprint reduction, share of renewable energy financing, and the advancement of women employees. Deviations, Risks, and Corrective Actions (b): When targets are not met or unexpected negative impacts are identified, TKYB applies corrective actions as defined under its Integrated Management System. As of 2024, the Bank has made Environmental Management System practices a shared responsibility across all departments, increasing awareness and oversight capacity. Based on monitoring results, policy updates are made, processes are restructured, and relevant staff or committees are informed. Where necessary, external consultancy services are engaged, or re-evaluations are conducted through internal audit mechanisms.	2024 Integrated Report: Sustainability and Risk Governance Structure Sustainability Committee Internal Audit Bank Employees Corporate Governance Performance Impact Management and International Alignment Energy and Emissions Management – Reporting Boundaries and Emission Measurement Approach Metrics and Targets

The Bank meets the governance requirements for implementing the Principles through its existing governance structure and by taking measures to strengthen and enhance the effectiveness of this structure.

UNEP-FI Principles for Responsible Banking

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	COMPREHENSIVE SUMMARY OF THE BANK'S RESPONSE	FULL RESPONSE OR RELEVANT INFORMATION LINKS OF THE BANK
	PRINCIPLE 6: WE WILL PERIODICALLY REVIEW THE EXTENT TO WHICH THE PRINCIPLES ARE IMPLEMENTED INDIVIDUALLY AND COLLECTIVELY, AND WE WILL BE TRANSPARENT AND ACCOUNTABLE ABOUT OUR POSITIVE AND NEGATIVE IMPACTS AND OUR CONTRIBUTION TO SOCIETY'S GOALS.	
6.1 Transparency and Accountability – Progress in Implementing the Principles for Responsible Banking **In addition to setting and implementing targets in at least two areas, demonstrate how the Bank has made progress over the past 12 months (or within 18 months following its first report as a signatory) in implementing all six Principles for Responsible Banking (see also Sections 2.1–2.4). Show that the Bank has considered current and emerging international/regional best practices in implementing the six Principles. Based on this, explain how the Bank has defined related priorities and targets, and whether it has adapted or is in the process of adapting its practices to align with these best practices and make measurable progress.**	Türkiye Development and Investment Bank (TKYB) has made significant progress in implementing the UNEP FI Principles for Responsible Banking as of 2024. In line with the principles of transparency and accountability, the Bank has advanced in both setting and implementing targets and has strengthened its institutional capacity to align with international best practices. Progress in Target Setting and Implementation a) Sustainable Finance Portfolio and Impact Management: By the end of 2024, 96% of TKYB's total loan portfolio consisted of sustainability-themed financing. Approximately USD 2.5 billion in credit was provided in alignment with the Sustainable Development Goals (SDGs), contributing directly or indirectly to 15 of the 17 goals. In addition, renewable energy projects financed by the Bank helped avoid around 4.2 million tons of CO_2 emissions. These efforts were carried out through integrated processes that manage environmental and social impacts at the project level, in line with the Impact Principles. b) Transparent Reporting and Assurance Processes: The 2024 Integrated Report was prepared in full compliance with the GRI Standards, the International <IR> Framework, and the UNEP FI Principles. The report includes key environmental and social performance indicators, which have been subjected to limited independent assurance. Additionally, the Bank continued to voluntarily report to the CDP Climate Change Program, disclosing its climate performance transparently on an international platform. Alignment with International / Regional Best Practices TKYB continues to shape its activities in line with the United Nations SDGs and the Paris Agreement. Priority is given to 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 internalizes global frameworks such as CDP, the Impact Principles, IFRS Sustainability Standards, and GRI in its policy-making processes. Key developments in 2024 include: • Full integration of impact assessments into the credit approval processes. • Regular review and alignment of sustainability indicators with strategic targets. • Restructuring of the Sustainability Committee and working groups to enhance institutional capacity. Priorities and New Targets: TKYB maintains its commitment to becoming a carbon-neutral bank by 2050 in line with its net-zero emissions goal. In addition, the Bank aims to increase the share of sustainability performance-based financial products and is planning to launch a stakeholder-focused platform for sustainability data and impact communication. These initiatives demonstrate the Bank's progress across all six Principles and its ongoing alignment with emerging international best practices in responsible banking.	2024 Integrated Report: Compliance with Türkiye Sustainability Reporting Standards (TSRS) Reporting Boundaries and Emission Measurement Approach Impact Management and International Alignment Energy and Emission Management Waste Management Water Management

Türkiye Development and Investment Bank complies with the requirements regarding progress in the implementation of the Principles for Responsible Banking.

Women's Empowerment Principles (WEPs) Index

PRINCIPLES	RELEVANT SECTION IN REPORT
Principle 1 - Establish high-level corporate leadership for gender equality	Career & Performance Management
Principle 2 - Treat all women and men fairly at work without discrimination, respecting human rights and supporting these principles	Diversity & Inclusion, Business Ethics & Legal Compliance
Principle 3 - Ensure the health, safety and well-being of all women and men workers	Safe & Healthy Work Environment
Principle 4 - Promote education, training and professional development for women	Career & Performance Management
Principle 5 - Implement enterprise development, supply chain and marketing practices that empower women	Strong Value Chain Management, Career & Performance Management
Principle 6 - Promote equality through community initiatives and advocacy	Diversity & Inclusion, Social Responsibility & Contribution
Principle 7 - Measure and publicly report on progress to achieve gender equality	Performance Indicators, Diversity & Inclusion, Career & Performance Management

EY
Shape the future with confidence

Güney Bağımsız Denetim ve SMMM A.Ş.
Maslak Mah. Eski Büyükdere Cad.
Orjin Maslak İş Merkezi No: 27
Daire: 57 34485 Sarıyer
İstanbul - Türkiye

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No : 479920
Mersis No: 0-4350-3032-6000017

(Convenience translation of 2024 Integrated Report and independent assurance report originally issued in Turkish)

Independent Assurance Report

To the Management of Türkiye Kalkınma ve Yatırım Bankası Anonim
Şirketi,
Istanbul, Türkiye

This report is intended solely for the management of Türkiye Kalkınma ve Yatırım Bankası Anonim Şirketi (hereinafter 'the Bank' or 'TKYB') for the purpose of reporting of Principles in the Scope of Limited Assurance ("Selected Information") listed below in its 2024 Integrated Report's ('2024 Integrated Report') that has been prepared by the TKYB for the period running from January 1, 2024, to 31 December 2024.

Subject Matter Information and Applicable Criteria

In line with the request of the Bank, 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 TKYB 2024 Integrated 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 the Selected Information shown below, which are reported in 2024 Integrated Report.

Selected Environmental Performance Indicators;

- Electricity consumption (kWh)
- Natural gas consumption (m3)
- Stationary combustion-Diesel (Generator) (L)
- Mobile combustion-Diesel (L)
- Mobile combustion-Gasoline (L)
- Total water consumption (m3)
- Water Intensity (m3/employee)
- Electricity intensity (kWh/m2)
- Natural gas intensity (m3/m2)
- Total amount of waste (kg)
- Scope 1 greenhouse gas emissions (tons CO2e)
- Scope 2 greenhouse gas emissions (tons CO2e)
- Scope 3 greenhouse gas emissions (tons CO2e)

➢ Category 3.1 Indirect emissions from transportation and distribution of input materials
➢ Category 3.2 Indirect emissions from transportation and distribution of output materials
➢ Category 3.3 Indirect emissions from employee commuting
➢ Category 3.5 Indirect emissions from business travel
➢ Category 4.1 Indirect emissions from purchased products
➢ Category 4.2 Indirect emissions from capital goods
➢ Category 4.3 Indirect emissions from disposal of solid and liquid waste
➢ Category 5.4 Indirect emissions from investments
➢ Portfolio Emissions

- Greenhouse gas emission intensity (tons CO2e/employee)

Selected Financial and Operational Performance Indicators;

- Installed capacity of renewable energy projects financed in 2024
- The share of TKYB in Turkey's renewable energy capacity as of the end of 2024 (%)
- The ratio of SKA-related loans to the total portfolio as of the end of 2024 (%)
- The amount of SDG-linked loans utilized in 2024
- The percentage of the climate and environment-related SDG-linked loan portfolio to the total portfolio in 2024 (%)
- The number of projects assessed for environmental and social risks in 2024
- The grades of projects assessed for environmental and social risks in 2024
- Sustainability governance
- The amount of financing provided to renewable energy in 2024
- The annual tCO2 emissions prevented by renewable energy projects financed in 2024
- Contribution to the additional employment planned with project finance loans for which a loan agreement was signed in 2024

Selected Social Performance Indicators;

- Number of employees
- Women employee ratios (total, senior and middle level)
- Training time per employee (Total training hours per employee /Average number of employees)
- Number of employees returning to work after maternity leave
- The number of employees taking maternity leave
- The number of employees taking paternity leave
- The number of employees who left their the job
- Employee turnover rate (%)
- Number of work incidents
- Number of work-related fatalities
- The rate of new women employment
- Number of projects doing OECD DAC Scoring

The Bank's Responsibilities

The Bank's management is responsible for the preparation, collection, and presentation of the Selected Information. In addition, the Bank's management is responsible for ensuring that the documentation provided to the practitioner is

EY
Shape the future with confidence

Güney Bağımsız Denetim ve SMMM A.Ş.
Maslak Mah. Eski Büyükdere Cad.
Orjin Maslak İş Merkezi No: 27
Daire: 57 34485 Sarıyer
İstanbul - Türkiye

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No : 479920
Mersis No: 0-4350-3032-6000017

(Convenience translation of 2024 Integrated Report and independent assurance report originally issued in Turkish)

Independent Assurance Report

complete and accurate. This also includes establishing and maintaining internal control system, maintaining adequate records, and making estimates that are relevant to the preparation of Integrated Report, such that it is free from material misstatement, whether due to fraud.

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.

The assurance provider is only performing assurance of the accuracy of the disclosed content. This means that the assurance provider should evaluate if the bank's description of processes, activities and their outcomes sufficiently reflect actions taken by the bank, rather than evaluating the applied approach itself.

Procedures Applied

In respect of the Selected Information mentioned above the procedures performed include the following procedures:

1. Interviewed select key senior personnel of the TKYB to understand the current processes in place for capturing the Selected Information pertaining to the reporting period;
2. Reviewed Selected Information with online communications covering TKYB locations; as well as reviewed pertaining to the Bank's other locations in Turkey, against evidence, on a sample basis;
3. Undertook substantive testing, on a sample basis, of the Selected Information;
4. Used the Bank's internal documentation to evaluate and measure the Selected Information;
5. Evaluated the design and implementation of key processes and controls over the Selected Information;
6. Re-performed, on a sample basis, calculations used to prepare the Selected Information for the reporting period.
7. Evaluated the disclosure and presentation of the Selected Information in the Integrated Report.

Our Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that TKYB's has not prepared, in all material respects with Selected Information for the year ended in December 31, 2024, the relevant requirements of the criteria as defined in the GRI Standards in all material respects.

Limitations

We permit this report to be disclosed in addition to TKYB's 2024 Integrated Report for the year ended in December 31, 2024, to enable the management of TKYB 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 TKYB for our work, for this independent limited assurance report, or for the conclusions we have reached.

Guney Bagimsiz Denetim ve Serbest Muhasebeci Mali Musavirlik Anonim Sirketi
A member firm of Ernst & Young Global Limited

Aykut Üsenti, SMMM
Partner
24 July 2025
Istanbul, Türkiye

Türkiye Sustainability Reporting Standards Aligned Sustainability Report

Innovative content with local values, based on transparency and trust.

TÜRKİYE DEVELOPMENT AND INVESTMENT BANK
2024 TSRS ALIGNED SUSTAINABILITY REPORT

TABLE OF CONTENTS

About The Report

This report presents the sustainability practices and performance of Türkiye Kalkınma ve Yatırım Bankası A.Ş. (TKYB) in the areas of environmental, social, and governance (ESG) in a transparent, holistic, and decision-maker-oriented manner, in accordance with the Türkiye Sustainability Reporting Standards (TSRS).

Within the scope of the report, TKYB's sustainability strategy, governance structure, climate-related risks and opportunities, targets, and performance indicators are detailed; the environmental and social impacts of the Bank's activities, as well as its alignment process, are addressed in relation to its business model and value chain.

Reporting Scope and Method

This report has been prepared in accordance with TSRS, which entered into force upon publication in the Official Gazette dated December 29, 2023, and numbered 32414. Compliance with TSRS 1 "General Requirements for the Disclosure of Sustainability-Related Financial Information" and TSRS 2 "Climate-Related Disclosures," as published by the Public Oversight, Accounting and Auditing Standards Authority (KGK), ensures that our Bank fulfills its obligation to provide transparent and comparable disclosures regarding sustainability and climate-related risks and opportunities. The report has been structured in line with the provisions of TSRS 1 and TSRS 2, taking into account the relevant transitional reliefs.

All financial information presented in this report has been prepared in Turkish Lira (TL) in accordance with TSRS and is aligned with the financial statements included in the Bank's 2024 Banking Regulation and Supervision Agency (BDDK) report.

The metrics and assumptions used have been explained in the relevant sections, and reasonable estimates based on disclosed assumptions—such as emission calculation uncertainties and climate parameters across short-, medium-, and long-term horizons under climate scenarios—have been applied in the reported calculations.

The climate-related financial disclosures in this report are based on the same data sets and assumptions as those used in the Bank's 2024 financial statements. Non-financial information has been compiled based on the most reasonable and verifiable sources available regarding sustainability performance. Limited assurance has been conducted by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., a member firm of Ernst & Young Global Limited.

General Information About Subsidiaries and Affiliates

Subsidiaries and affiliates are presented below according to their fields of activity and ownership rates:

Company Name	Establishment Year / Location	Scope of Activity	Relationship	Participation Share	Sector
Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş.	2020 / İstanbul	Establishment and Management of Venture Capital Funds	Subsidiary	100%	Finance
Kalkınma Yatırım Varlık Kiralama A.Ş.	2020 / İstanbul	Lease Certificate Issuance	Subsidiary	100%	Finance
MAKSAN Malatya Makina Sanayi A.Ş.	1974 / Malatya	Distribution Transformer Production	Affiliate	31.14%	Electrical Machines

Reporting Principles and Reliability

The report has been prepared in line with the principles of comparability, verifiability, clarity, transparency, and appropriateness. The disclosures made under the TSRS framework have been structured to reflect the financially material impacts of TKYB's business model and activities in relation to climate.

The impacts of climate-related risks and opportunities have been assessed through short-, medium-, and long-term analyses based on the Net Zero 2050 and Current Policies scenarios, and the Bank's strategic alignment policies have been shaped accordingly.

Consistency of Data and Assumptions

All data and assumptions used in the preparation of the sustainability-related financial disclosures within this report are, to the greatest extent possible, consistent with those used in the preparation of the consolidated financial statements prepared in accordance with the Turkish Financial Reporting Standards (TFRS). In line with Article 23 of TSRS 1, this consistency has been ensured, and the content of the report has been prepared within this framework.

Currency of Presentation

The currency used in all sustainability-related financial disclosures in this report is Turkish Lira (TL), which is fully consistent with the presentation currency of the Bank's consolidated financial statements.

Third Party Assurance Audit and Scope

Within the scope of the independent assurance mandated by the TSRS published by KGK in the Official Gazette dated December 29, 2023, and numbered 32414(M), a limited assurance engagement has been conducted by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (EY). The assurance was performed 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." The limited assurance statement is provided in the "Annexes" section of this report.

Scope and Responsibility of the Report

The organizational information presented in this report covers Türkiye Kalkınma ve Yatırım Bankası A.Ş. and its subsidiaries. The scope has been determined based on the same organizational boundary used in the consolidated financial reporting for the period 01.01.2024–31.12.2024, prepared in accordance with the regulations of BDDK. This approach has been adopted to ensure consistency in the assessment of climate-related risks and opportunities as well as in the presentation of performance data.

This report covers the sustainability performance in ESG areas of TKYB and its subsidiaries, Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. and Kalkınma Yatırım Varlık Kiralama A.Ş. In this context, the climate-related risks and opportunities of TKYB and its subsidiaries have been analyzed, and their governance structures, strategic approaches, risk management practices, and sustainability performance have been addressed in an integrated manner.

The content of the report has been approved by TKYB's Board of Directors, which has declared that the information presented is not misleading or inaccurate. The report has been prepared based on data available to Bank employees within their respective areas of responsibility and reflects the current situation to the best extent possible.

Transition and First Year Exemptions

This report is the first sustainability report published by TKYB under the TSRS. Within this framework, certain exemptions were utilized in accordance with transitional provisions:

Transitional Provisions	Explanation	Provisional Clause	TKYB Application Status
Obligation to share comparative information	It is not mandatory to submit comparative information for the years prior to the first implementation period.	TSRS 1 E3 / TSRS 2 C3	TKYB did not share comparative information compared to previous years by taking advantage of the exemption.
In the second annual reporting period, the company is allowed to report its sustainability-related financial disclosures after publishing its relevant financial statements.	In the first annual reporting period in which an entity applies this Standard, the entity is permitted to report sustainability-related financial disclosures after issuing the relevant financial statements.	TSRS 1 E4	TKYB has chosen to publish its 2024 sustainability disclosures as a standalone report set following the financial reports.
Only climate-related risks and opportunities can be reported	Only climate matters can be disclosed in the initial reporting period; other TSRS 1 obligations remain limited to these matters.	TSRS 1 E5	In its first reporting year, TKYB prioritized only climate-related risks and opportunities, limiting its disclosures on other sustainability topics.
Permission to report comparative information on climate-related risks and opportunities in the first annual reporting period	Comparative information on climate-related risks and opportunities is not required to be disclosed in the first annual reporting period.	TSRS 1 E6	TKYB did not share comparative information on climate-related risks and opportunities in its first reporting year.

Prioritization

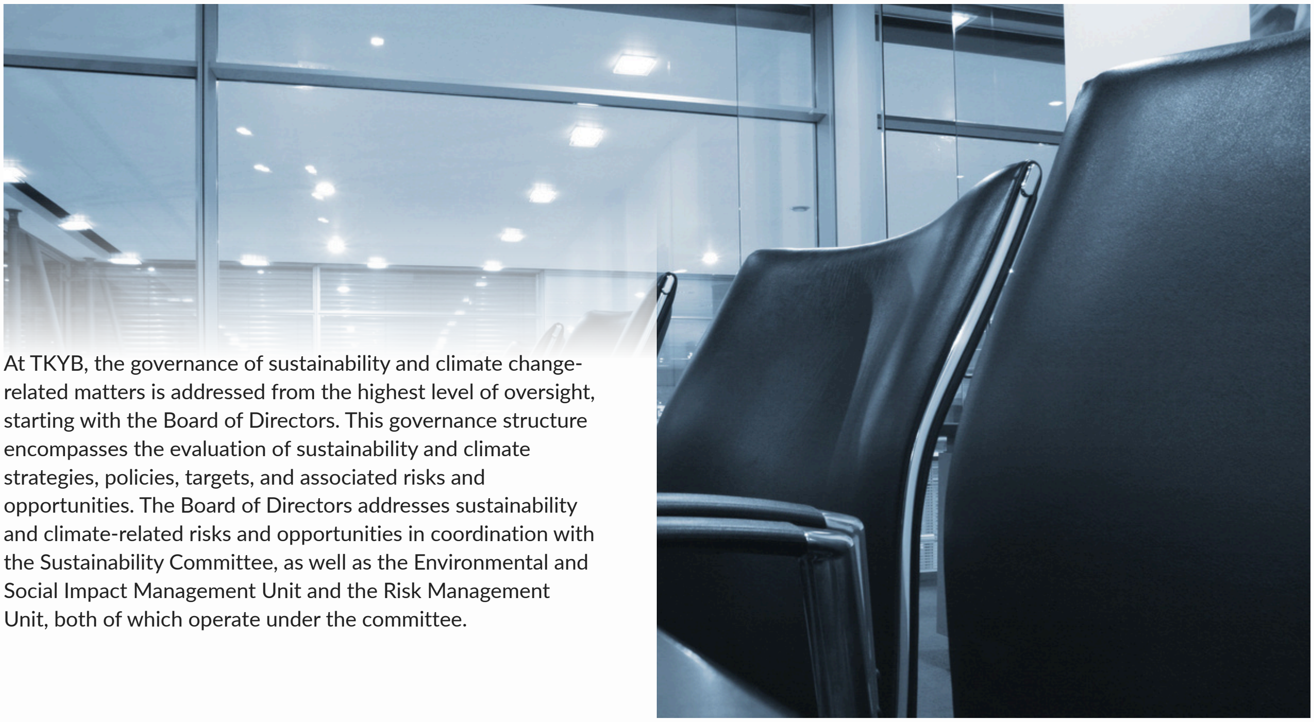
The materiality of the financial impacts disclosed in this report has been assessed in accordance with the criteria defined under TSRS 2. The financial materiality threshold has been set at 5% of Profit Before Tax. This threshold has been used as a reference point in evaluating the financial impacts of climate-related risks.

In this context, materiality assessments have been detailed under the headings “Financial Impacts of Climate-Related Risks” and “Risk Management,” along with the relevant disclosures.

Within the scope of investment banking and brokerage activities as defined in TSRS 2, Section 18, ESG-integrated advisory services were carried out by the Bank during the reporting period. However, since the financial scale of these activities remained below the materiality threshold established by the Bank, no separate disclosure has been provided for this sector in the report.

Governance

Sustainability and Risk Governance Structure



At TKYB, the governance of sustainability and climate change-related matters is addressed from the highest level of oversight, starting with the Board of Directors. This governance structure encompasses the evaluation of sustainability and climate strategies, policies, targets, and associated risks and opportunities. The Board of Directors addresses sustainability and climate-related risks and opportunities in coordination with the Sustainability Committee, as well as the Environmental and Social Impact Management Unit and the Risk Management Unit, both of which operate under the committee.

Board of Directors

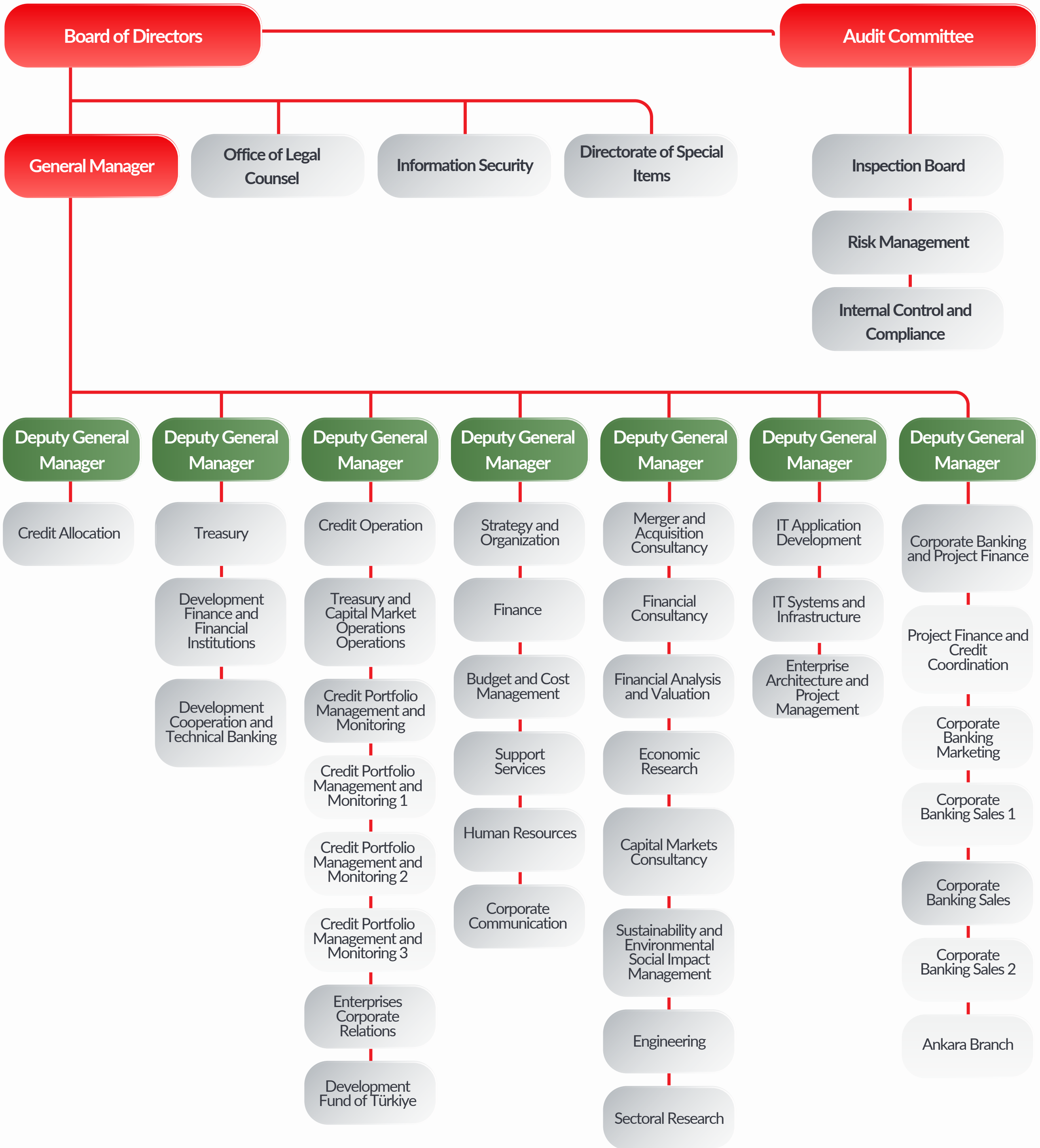
The Board of Directors of TKYB consists of seven members elected by the General Assembly, each appointed for a term of up to three years. The member selection process is conducted in accordance with corporate governance regulations, and candidates are nominated based on proposals submitted by shareholders during General Assembly meetings.

Under the leadership of the Chairperson, the Board of Directors actively works to establish the Bank's mission and sustainability strategies, and to approve these strategies in collaboration with senior executives. As the highest governing body, the Board regularly reviews the effectiveness of processes aimed at managing the organization's economic, environmental, and social impacts. These evaluations are conducted annually and play a significant role in supporting continuous improvement efforts.

The Board of Directors regularly monitors sustainability and climate change-related risks and opportunities and ensures that the associated efforts are integrated into the Bank's decision-making processes. Climate-related risks and opportunities have been embedded into TKYB's operational, financial, and governance policy frameworks through a holistic approach. These policy documents not only define the targets but also provide detailed information on implementation methods, internal control systems, and reporting processes. This structure supports the Bank's climate governance performance in full alignment with national and international reporting frameworks and standards such as TSRS, TCFD, and GRI.

At the strategic level, TKYB has explicitly integrated climate-related risks and opportunities into a wide range of key policy documents. Through these documents, the Bank treats climate change as a priority governance issue—both within its own operations and in the projects it finances.

Organisational Chart



Governance Policies and Procedures

Climate Change Mitigation and Adaptation Policy: TKYB takes into account the risks and opportunities arising from the transition to a low-carbon economy in its strategic planning and places special emphasis on renewable energy, energy efficiency, and environmental investments. The Bank sets targets to reduce operational resource consumption, monitors greenhouse gas emissions, and reports to voluntary platforms such as CDP. Emission reduction and resource efficiency efforts are supported at the operational level through environmental management systems such as ISO 14001.

Environmental and Social Policy: TKYB considers climate change a fundamental component of environmental and social sustainability and monitors environmental and social risks throughout the loan period within the framework of its Environmental and Social Management System (ESMS). The Bank requires financed projects to assess climate change impacts, implement risk mitigation measures, and report sustainability performance annually.

Sustainability Principles: Combatting climate change, efficient use of resources, and a focus on low-carbon projects are explicitly stated among the Bank's core sustainability principles. Monitoring and reducing operational emissions, along with minimizing resource consumption, are among the Bank's primary objectives.

Environmental and Social Risk Assessment Procedure in Lending: In lending processes, environmental and social risks are assessed through the "Environmental and Social Risk Assessment Model," which includes risk classification. For high-risk projects, detailed action plans and monitoring procedures are implemented, and binding environmental conditions are incorporated into loan agreements.

Climate-related risks and opportunities have been holistically integrated into all of TKYB's operational, financial, and governance policy frameworks. These policy documents include not only targets, but also detailed implementation methods, internal control mechanisms, and reporting procedures.

Governance of Policies

TKYB has established a clear distribution of roles and responsibilities within its corporate governance structure to ensure the effective implementation of its sustainability-related activities. In this context, the practices developed under the Environmental and Social Policy and the Climate Change Mitigation and Adaptation Policy are carried out in coordination between operational units and governance bodies.

The relevant operational units within the Bank—such as Credit Allocation, Credit Portfolio Management, Project Finance, and Corporate Banking—are responsible for the day-to-day implementation of the policies and incorporate environmental, social, and climate-related risk factors into credit allocation and monitoring processes. These units carry out their risk assessments in accordance with the Environmental and Social Impact Assessment procedures.

At the corporate level, the oversight and strategic alignment of the policies are managed by the Sustainability and Environmental & Social Impact Management Team. This team is responsible for supervising the implementation of policy documents, monitoring developments, and coordinating with internal and external stakeholders.

The processes for updating and reviewing the policies are carried out under the supervision of the Bank's Executive Committee and the Board of Directors. Each policy document is revised periodically or as needed and enters into force upon approval by senior management. During this process, current regulations, global sustainability standards, and feedback from internal stakeholders are taken into consideration.

Sustainability Committee

The Sustainability Committee, operating under the authority of the Board of Directors, is responsible for monitoring and evaluating sustainability and climate-related risks and opportunities at the operational level. The unit in charge of analyzing climate risks and reporting these analyses to senior management is the Sustainability and Environmental & Social Impact Management Unit. This structure ensures that climate risks are effectively monitored at both strategic and operational levels within the framework of the Bank's corporate governance mechanism.

The Committee is chaired by the General Manager and includes an Independent Board Member, the Deputy General Manager responsible for the Sustainability and Environmental & Social Impact Management Unit, the Deputy General Manager in charge of Development Finance and Financial Institutions, the Deputy General Manager responsible for Human Resources, Financial Affairs and Strategy, the relevant department head, and additional supporting members appointed by the Committee. The Independent Board Member and supporting members are appointed by a decision of the Committee.

Sustainability Committee

In 2024, TKYB's Sustainability Committee effectively continued its strategic guidance and oversight role in matters related to sustainability and the fight against climate change. Of the members who participated in the 2024 Committee, four individuals attended for a second consecutive year. Throughout the year, the Committee reviewed the decisions and activities carried out by the Sustainability Working Group, and examined in detail the Bank's current position, strategic roadmap, and target-setting processes within the scope of climate change mitigation and adaptation.The Committee also addressed ongoing and planned sustainability-focused collaborations with external stakeholders, developments under the Sustainable Development Academy project, and the Social Return on Investment (SROI) analysis approach. A summary of key decisions made is provided below:

- A decision was taken to establish a Climate Change Mitigation and Adaptation Policy and policy development studies were initiated in this direction.
- It has been decided to collaborate with universities in the field of sustainability and to carry out studies under the umbrella of the Sustainable Development Academy in this context.
- Principle decisions regarding the SROI analysis have been made and its integration into target setting studies has been planned.
- Within the scope of the Sustainable Development Academy project, it was decided to establish a regular reporting structure and a two-week monitoring system.
- Action plans to accelerate the implementation process and strengthen reporting within the scope of the Turkish Sustainability Reporting Standards (TSRS) have been approved.

Decisions made by the Sustainability Committee have been directly reflected in the Bank's strategic planning and operational processes and have been implemented by the relevant departments. The Committee continues to function as a core governance mechanism for monitoring and enhancing climate-related risks, opportunities, and overall sustainability performance.

To ensure the effectiveness of risk management processes, the Corporate Risk Management Procedure is implemented, thereby establishing an integrated structure between the institution's overall strategy and its risk management processes. Risk management practices are regularly reviewed in coordination with other internal functions, and recommendations for process improvements are submitted to the Board of Directors.

The Committee convenes at least twice a year, and following each meeting, the agenda and decisions taken are presented directly to the members of the Board of Directors through a formal presentation at the next Board meeting.

Sustainability Environmental and Social Impact Management

The Sustainability and Environmental & Social Impact Management Unit is the body responsible for conducting studies on sustainability and climate risks based on the outcomes of the Sustainability Committee meetings. The unit identifies risks and opportunities, ensures regular monitoring of these risks, implements risk mitigation measures, and updates the risk inventory. These responsibilities fall within the unit's mandate. The unit is staffed by a team comprising environmental engineers and social specialists. The unit manager represents the team in the Sustainability Committee and is responsible for presenting the unit's work and findings to the Committee.

Governance Structure in Subsidiaries

While TKYB's wholly owned subsidiaries—Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. and Kalkınma Yatırım Varlık Kiralama A.Ş.—do not currently have dedicated sustainability committees, the Sustainability, Environmental & Social Impact Management Unit within TKYB serves as a bridge to support sustainability integration in these subsidiaries.

During 2024, Seçil Kızılkaya Yıldız, a senior executive at TKYB, served on the boards of directors of both subsidiaries. Through this representation, the Bank's sustainability vision and climate-related governance processes are directly reflected in the governance bodies of its subsidiaries. TKYB representatives actively participate in relevant board meetings, monitor developments related to climate-related risks, environmental and social assessments, and corporate sustainability agendas, and provide input on these matters.

Looking ahead, efforts are planned to further enhance sustainability-focused governance structures within the subsidiaries. In this context, the aim is to establish a more systematic approach to monitoring, assessing, and reporting climate-related risks.

Risk Management Unit

The Risk Management Unit establishes written limits for quantifiable risks that may arise from the Bank's activities, in accordance with BRSA regulations. The key document that defines the Bank's risk appetite, titled "Risk Limits and Implementation Principles," is revised at least once a year—or as needed—and submitted for approval by the Board of Directors. The Bank's operations are carried out within the framework of these approved limits and are regularly monitored by the Risk Management Unit. If any breaches occur, immediate corrective actions are taken to bring the risk levels back within the defined limits.

At TKYB, risk and opportunity analyses are conducted with the participation of various units within the Bank's organizational structure, in accordance with procedures issued by the Risk Management Unit. This approach fosters a corporate culture in which employees are encouraged to identify risks and opportunities related to their own processes, report them to management, and implement the necessary control measures.

Risks and opportunities are analyzed using the "EYS.48-F Risk and Opportunity Analysis Form." The defined metrics and targets are reviewed annually under the coordination of the Sustainability Committee and the Risk Management Unit and are integrated into performance reports. These findings are also reported to the Board of Directors at regular intervals, providing direct input into strategic decision-making processes. Monitoring and evaluation are conducted transparently, in line with TSRS requirements and international standards.

Internal Audit

The Internal Audit Unit at TKYB provides assurance to senior management by auditing the Bank's corporate risk management activities for compliance with applicable national and international regulations, standards, and the Bank's strategies, policies, procedures, and objectives. Internal Audit evaluates the effectiveness and adequacy of both the first line of defense—control mechanisms—and the second line of defense—process and risk management systems. In this context, it monitors the implementation of controls and procedures that support the management of climate-related risks and reports its findings to senior management and relevant committees.

At TKYB, the following key components related to the management of climate risks and opportunities 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 evaluation process and are directly reflected in project risk scoring.

Control Points

Special controls, monitoring plans, and technical preconditions are defined in the project evaluation forms for projects involving high climate risk.

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-making mechanisms.

Reporting

Findings are reported to the Sustainability Committee and the Board of Directors, and when necessary, corrective actions are planned and implemented by senior management.

The climate-related duties and responsibilities of TKYB's Internal Audit Unit are defined indirectly as part of the Bank's corporate risk management framework. While internal audit does not have a dedicated, climate-specific mandate, it contributes indirectly to the Bank's climate strategy and practices by auditing the functioning and integration of sustainability and climate-related controls.

Bank Employees

The Bank aims to ensure that its employees play an active role in climate risk management and mitigation, making it an integral part of the corporate culture. In this regard, all employees are expected to comply with the Bank’s established ESG policies and climate risk management strategies, and to take proactive measures to mitigate such risks within their respective areas of responsibility.

In 2024, in line with the Green Human Resources Policy and the Bank’s Sustainability Principles, all employees received mandatory training on “Sustainability and ESG.” These trainings were designed to raise awareness about identifying, assessing, and mitigating climate risks, while also clarifying individual roles and responsibilities.

The main expectations and responsibilities of employees include:

- Credit and project teams are required to fully implement the Environmental and Social Risk Assessment Procedure during credit allocation processes and to request additional control and monitoring measures for projects that carry high climate risk.

- Risk management and internal control personnel are responsible for ensuring the application of control checkpoints that integrate climate risks into credit and investment decision processes and for fulfilling reporting obligations in case of any deviations.

- Procurement, office management, and operations teams are expected to minimize operational climate impacts by prioritizing energy and resource efficiency, waste reduction, and green procurement criteria.

All employees are expected to contribute to reducing the Bank’s carbon footprint through day-to-day office practices such as conserving energy, minimizing paper use, and separating waste, while also sharing their awareness of these practices with colleagues.

These individual and department-level actions directly support the Bank’s carbon emissions reduction targets, its transition strategy toward a low-carbon economy, and the growth of its sustainability-themed loan portfolio. Moreover, fulfilling these responsibilities contributes to the positive progress of key corporate performance metrics such as reduced carbon intensity, increased energy efficiency, and improved environmental and social risk scores.

Sustainability targets are defined by dedicated sub-working groups focused on relevant topics. Records of meetings held during this process are regularly documented. The monitoring and reporting of targets are carried out by the responsible unit, and final approval is granted by the General Manager.

Remuneration

Sustainability and climate targets have not been integrated into TKYB's remuneration policy.

General Risk Assessment Methodology and Model

TKYB applies a comprehensive risk assessment methodology in line with the 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

The Bank's risk assessment model is based on a quantitative approach based on a "probability x impact" matrix:
Risk Score (R) = Probability Score (O) × Impact Score (E)

Probability Scoring Scale

Point	Probability Definition	Explanation
1	Low Probability	The probability of the risk occurring is low, it is rare
2	Medium Probability	There is a possibility that the risk will occur at certain intervals.
3	High Probability	The probability of the risk occurring is high and is observed frequently.

Impact Scoring Scale and Financial Ranges

The impact of risks is assessed in various dimensions (e.g. operational, reputational, legal, accessibility, etc.), especially environmental impacts, and is scored from 1 to 3:

Point	Impact Definition	Explanation
1	Low Impact	The impact of the risk on the institution and the environment is limited.
2	Medium Probability	The risk has a moderate operational and/or environmental impact on the organization or the environment.
3	High Probability	Risk can have significant impact on the organization, stakeholders and environmental systems.

Risk Score Classification

Score Interval	Risk Level
1-2	Acceptable
3-4	Significant
6-9	High

Assumptions and Processes

- Evaluations are conducted at least once a year and updated in case of new activities, changes or extraordinary circumstances.
- The risk score is directly reflected in the objectives and action plans.
- Evaluation is made based on legal compliance and Bank policies.

Climate-Related Risk and Opportunity Assessment Process

TKYB implements an integrated approach to systematically identify, assess, and monitor climate-related risks and opportunities. This process is defined at the corporate level through the Bank's Environmental and Social Risk Assessment Procedure, Sustainability Policy, Climate Change Mitigation and Adaptation Policy, and Lending Process Flows. Project-based assessments are conducted through the Environmental and Social Risk Assessment System (ESRAS), which categorizes climate risks as separate headings and ranks each project based on its risk level. Additionally, as part of corporate-level strategic risk management processes, climate risks are reviewed annually, high-risk sectors and geographies are reprioritized, and monitoring plans are updated. Monitoring processes continue throughout the project lifecycle, and the Board of Directors and the Sustainability Committee are kept informed through regular internal reporting.

Identification and Inventory of Climate-Related Risks

TKYB carries out the identification, assessment, prioritization, and monitoring of climate-related risks and opportunities as an integrated part of the Bank's overall risk management framework. In developing the risk inventory, the operational scope includes both the Bank's headquarters operations and the diverse sectors represented within its portfolio.

Identifying Climate-Related Risks and Opportunities

TKYB's climate risk analyses are conducted based on internationally recognized scenarios developed by the Network for Greening the Financial System (NGFS). These scenarios are preferred as they provide science-based and coherent projections aimed at assessing the potential impacts of climate change on the economic and financial system.In TKYB's assessments, the Current Policies Scenario has been used as the basis for analyzing the maximum impacts of physical risks, while the Net Zero 2050 Scenario has been applied to evaluate the maximum impacts of transition risks.

Using these two core scenarios, the Bank's loan portfolio and operational activities were assessed in terms of climate risks, and their potential impacts on various financial and operational indicators were analyzed.

In developing the climate risk inventory, the Bank first identified risk sources—such as transition risk factors (e.g., carbon pricing, CBAM obligations, new regulations) and physical risk factors (e.g., floods, heatwaves, drought)—and systematically classified their potential impacts on the Bank's portfolio and operations. Throughout this process, the Environmental and Social Risk Assessment Procedure, Risk Management Policy, and Credit Allocation Procedure served as supporting documents. Furthermore, in order to integrate scenario analysis into decision-making processes, the Bank has implemented a structured framework for data sharing and communication of findings between the Risk Management Unit, senior management, the Asset-Liability Committee, and the Credit Evaluation Committee.

The findings from these scenario analyses are used to inform the reshaping of credit policies and portfolio distribution, to define risk appetite, and to support capital planning efforts.

Through scenario analysis, key metrics such as temperature rise, frequency of physical climate events, and transition risks have been identified. Based on these metrics, the impacts of climate change have been thoroughly assessed for both the Bank's internal operations and the sectors it finances. In this context, climate parameters specific to Türkiye that are expected to evolve over the short term (1 year), medium term (3–5 years), and long term (5+ years)—including temperature rise, drought frequency, precipitation patterns, and carbon pricing—have been evaluated in line with NGFS scenarios.

In TKYB's scenario analyses, priority was given to both the Bank's own assets and the three sectors that collectively accounted for approximately 95% of its 2024 loan portfolio:

- Manufacturing
- Electricity, Gas, Steam and Air Conditioning Supply
- Financial and Insurance Activities

For each sector, the climate parameters to which it is most sensitive were identified. Scenario-based changes in these parameters were used as core inputs in analyzing the likelihood of physical and transition risks these sectors may face. The assessments allowed for the identification of climate-related risks and opportunities across all time horizons.

The results of these analyses have enhanced the Bank's understanding of its exposure to climate risks and supported strategic decision-making processes for prioritizing high-risk areas and improving monitoring systems. These efforts are enabling the development of a continuously evolving climate risk management framework that aligns with the Bank's climate change mitigation policies and sustainability objectives.

Identifying Climate-Related Risks and Opportunities

TKYB operates with the understanding that climate change brings not only risks but also strategic opportunities. Accordingly, the process of identifying, assessing, and prioritizing climate-related opportunities is carried out in integration with the Bank's corporate risk management systems and is systematically embedded into decision-making mechanisms.

Opportunity assessments are conducted using a structure similar to risk analyses. Potential investment, financing, and product development opportunities arising from the transition process are identified by relevant units through qualitative analyses. In this process, prioritization is guided by external stakeholder input, sectoral trends, developments in the regulatory landscape, and alignment with the Bank's corporate strategy.

As a result of these analyses, opportunity areas are identified in fields such as the diversification of the sustainable product and service portfolio, enhanced access to thematic funds, expansion of international collaborations, and strengthening of ESG-aligned revenue streams. All such efforts are shaped in line with the Bank's long-term value creation strategy and in alignment with sustainable development goals.

Identifying Risks and Opportunities

As a result of analyses conducted under the Net Zero 2050 and Current Policies scenarios, climate metrics with high potential impact were identified, and TKYB's climate risk inventory was developed based on the expected effects of these metrics on the Bank.

For the identification and classification of climate risks, the impact-probability matrix method was applied. Risks were scored according to their likelihood and impact levels and categorized into three groups: high, significant, and acceptable. The scoring methodology was based on the Bank's Environmental and Social Risk Assessment Procedure and Integrated Management System methodologies, and all evaluations were subject to internal audit and senior management approval processes.

Within this scope, each of the 15 climate risks identified for TKYB was evaluated based on the relevant climate metrics. The likelihood and potential impact of these risks were analyzed separately across short-, medium-, and long-term time horizons. Based on the results, the most critical risks were identified and incorporated into the Bank's climate risk inventory with a prioritization-based approach.

As a result of analyses conducted under the Net Zero 2050 and Current Policies scenarios, climate metrics with high impact and likelihood were identified. Taking into account the potential effects and probabilities of these metrics on TKYB's operations and loan portfolio, the Bank's climate risk inventory was developed accordingly.

Materiality of Risks

As of 2023, climate-related risks at TKYB have been systematically identified, assessed, and classified for the first time. These risks are intended to be integrated into the Bank's overall risk management framework. In prioritizing risks, a scoring method based on the multiplication of impact and likelihood has been applied. Accordingly, risks are categorized as "acceptable," "significant," or "high."

Each risk is assessed using a scale of 1 to 3 for both impact level and likelihood level. The multiplication of these two components yields a risk score ranging from 1 to 9.

Based on the resulting scores, risks are classified as follows:

- **Acceptable (1–2)**
- **Significant (3–4)**
- **High (6–9)**

Risks are classified accordingly, and those with a score of 6 or above are considered material risks.

For example, due to the high representation of the energy sector in TKYB's loan portfolio and the sector's inherent vulnerability in the transition to a low-carbon economy, specific stress test analyses have been conducted. Within this framework, customers operating in the renewable energy segment are categorized as "low transition risk," and their impact on PD (probability of default) values is considered neutral.

Climate-related risks have been assessed alongside core risk types such as credit risk, market risk, operational risk, and information systems risk, and starting in 2024, they have been structurally evaluated within the Bank. These risks are integrated into the Bank's overall risk management process using the same risk assessment methodology and also serve as a supporting factor in sectoral prioritization and portfolio breakdown analyses. As a result, climate risks are not treated as a separate category but are incorporated into the Bank's holistic risk assessment framework and included in the prioritization process accordingly.

Indicators and Threshold Values Used

Risk analyses have taken into account not only quantitative scoring but also client-specific transition risk ratings and Scope 1–2 carbon intensity indicators. Within this scope, the impact of these indicators on PD (probability of default) calculations has been analyzed for selected customer groups.

Currently, the analyses are limited to:

- **Transition risk data for 241 clients,**
- **Scope 1–2 carbon intensity data for 146 clients.**

For this reason, it is planned to expand the coverage and strengthen the analytical infrastructure in the coming periods to enable the applied threshold values to be scaled across the entire portfolio.

This prioritization framework has provided the basis for planning preventive and adaptive actions and for the strategic allocation of resources in response to scenarios with the highest potential impact from both physical and transition risks.

Financialization of Risks

As part of the scenario analyses conducted specifically for physical risks, the potential impacts of changes in selected climate metrics on TKYB's fixed assets, operational processes, and loan portfolio were assessed. Based on these evaluations, an institution-specific financial quantification approach was developed. In this context, potential losses arising from chronic and acute physical events were linked to scenario outputs across different time horizons, and quantitative impact analyses were carried out.

In terms of transition risks, national and international literature reviews were conducted based on the Net Zero 2050 and Current Policies scenarios, focusing on the potential impacts of elements such as projected carbon pricing, regulatory changes, and technological transformation under these scenarios. However, no methodological framework has yet been developed to quantify financial impacts.

Of the five climate-related risks reported, only the "Regulatory Risk" (scored 9) was quantitatively modeled with its financial impact. Other risk categories—Market Risk, Chronic Physical Risk, Acute Physical Risk, Technology Risk, and Reputational Risk—scored below 6 in the risk assessment and therefore did not fall within the scope of "material risk*". As such, financial quantification studies were not conducted for these risks. It has been assessed that IFRS 9 Expected Credit Loss (ECL) calculations may enable the quantification of such risks by offering a framework suitable for incorporating forward-looking information and integrating climate scenarios.

The Bank has not yet implemented a formal process for defining and monitoring risk appetite metrics specifically for climate-related risks. However, this is being considered for future implementation.

* Due to the uncertainty of measurement in the calculation of these effects, the quantitative information obtained is not meaningful.

Financialization of Risks

Additional Note:
Within the scope of TSRS, TKYB has developed quantifiable, portfolio-based transition risk impact analyses tailored to its operational structure and has disclosed the measurement uncertainties associated with these analyses in the report. As of 2024, a portfolio totaling approximately TRY 1.8 billion has been analyzed under transition risk scenarios, and financial impacts under these scenarios have resulted in a 0.44% increase in provisions.

While this approach does not replace parameters such as Probability of Default (PD) and Loss Given Default (LGD), it presents a risk-based and numerical methodology aligned with TKYB's business model. The Bank acknowledges the need for long-term efforts to model the sensitivity of these parameters to climate scenarios.

Strategy

TKYB systematically carries out the identification, assessment, prioritization, and monitoring of climate-related risks and opportunities. The Bank defines and analyzes risks and opportunities arising from climate change based on both physical and transition-related drivers. In addition to risks, climate issues also present strategic opportunities. Renewable energy, energy efficiency, circular economy, green infrastructure, and socially impactful projects are among the Bank's financing priorities. Activities in these areas have facilitated improved access to international climate-themed funding sources.

TKYB defines the time horizons for assessing the impacts of climate-related risks and opportunities as follows:

Short Term (1-3 years)

Operational compliance and internal control mechanisms, rapid actions in credit policies, short-term product development.

Medium Term (3–5 years)

Portfolio restructuring, increasing sustainability-themed funding capacity.

Long Term (5 years +)

Strategic governance transformation, shift towards low-carbon sectors and development of internal carbon pricing mechanisms.

The defined short-, medium-, and long-term time horizons are aligned with TKYB's strategic planning period and project finance maturities. Short-term assessments focus on operational controls and loan repayment analyses, while medium- and long-term planning is synchronized with financial resource diversification, portfolio alignment, and institutional transformation perspectives.

Climate Scenario Analysis Variables

In the 2024 reporting year, TKYB undertook comprehensive scenario analyses to evaluate climate-related risks and opportunities at a strategic level. These analyses were based on the NGFS Net Zero 2050 and Current Policies scenarios and were completed in 2025. Türkiye's national climate policies were directly considered in the scenario design, with assumptions incorporating the Nationally Determined Contribution (NDC) targets, Türkiye Sustainability Reporting Standards (TSRS) obligations, Carbon Border Adjustment Mechanism (CBAM), and Emissions Trading System (ETS) transition plans.

Macroeconomic variables such as projected increases in carbon pricing, capital reallocation toward low-carbon sectors, and asset devaluation in carbon-intensive industries were linked to Türkiye's regulatory roadmap, and their potential impacts on the Bank's portfolio were assessed. For instance, the NGFS Net Zero 2050 scenario aligns with international frameworks such as the Paris Agreement and the European Green Deal, and models the influence of climate policies through a strong transition pathway that supports the achievement of NDC targets. In contrast, the Current Policies scenario reflects a trajectory where Türkiye continues with less interventionist climate policies, resulting in higher physical risks and a slower transition pace.

The outcomes of these scenario analyses have enabled TKYB to assess the implications of Türkiye's climate policies on its portfolio and business model, providing valuable input for strategic decision-making processes.

Scenario Analysis Framework

NGFS - Net Zero 2050 Scenario Analysis

This scenario targets the reduction of global greenhouse gas emissions to net zero by 2050. It assumes a high level of policy coordination, with early and harmonized actions taken globally to enable an orderly transition process. As a result, both physical and transition risks remain low throughout the scenario period. Technological transformation occurs gradually, enhancing the manageability of the transition. Carbon Dioxide Removal (CDR) technologies are widely deployed, contributing to substantial carbon removal over time. Regional disparities are relatively limited, and there is a high degree of alignment in policy implementation across countries.Aligned with the 1.5°C target, this scenario offers a balanced reference framework for strategic planning due to its low-risk profile and predictable transition pathway.

NGFS Current Policies

This scenario assumes the continuation of currently implemented policies without any additional interventions. Under this framework, greenhouse gas emissions are projected to continue rising, leading to an estimated global temperature increase of approximately 3°C by 2080. This trajectory is expected to trigger irreversible physical impacts, most notably sea level rise. In this scenario, physical risks are at their highest, while policy responses to the transition remain weak and technological transformation progresses at a very slow pace. The feasibility of Carbon Dioxide Removal (CDR) technologies is considered very low, indicating a lack of effective pathways for emission reduction.
Moreover, there are significant disparities in how countries respond to climate policies, resulting in deepening regional inequalities. While the policy target settles around 3.5°C, transition risk remains low, but the risk profile is extremely high in terms of long-term physical impacts. This scenario illustrates how, in the absence of new interventions, we may head toward a “hot world,” highlighting how economic and financial systems might evolve under the pressure of escalating physical climate risks.

Rationale for Scenario Selection

The selected scenarios are based on key indicators such as carbon intensity distribution, variability in climate policy, and investor expectations to assess TKYB’s strategic resilience. The scenario selection process was designed to reflect the Bank’s current portfolio structure, sectoral composition, and exposure to various types of risks. Special attention was given to the short- and long-term transformation requirements of high-carbon-intensive sectors, and the alignment of these scenarios with the Bank’s strategies was established. Accordingly, the chosen scenarios were structured to capture not only transition risks but also the effects of physical risks (such as floods, droughts, and extreme heat) on the portfolio. This approach enables the Bank to assess its financial and operational resilience to climate-related shocks.

Internationally recognized reference sources (such as the NGFS scenario set) were utilized in scenario selection, ensuring that the analyses are grounded in scientific evidence and aligned with global reporting frameworks. The indicators used extended beyond carbon footprint and also included parameters such as financial vulnerability, climate policy transition costs, technological adaptation capacity, and investor expectations.

The results of these analyses are integrated into the Bank’s long-term strategic objectives, credit allocation policies, and sustainability-focused product development processes. Additionally, by evaluating scenario results in conjunction with internal stress tests and risk modeling approaches, a more in-depth analysis of the Bank’s resilience to climate risks is made possible.

Operational Scope:
Scenario analyses cover the operations of the headquarters (Istanbul Main Office and subsidiaries), its subsidiaries indirectly as they share the same building, and sectors such as manufacturing, energy, finance, insurance, agriculture and construction that constitute the Bank's loan portfolio.

Risk Category	Physical Risks
Risk Definition	Sudden weather events could lead to the destruction of our bank's owned or leased assets. This could lead to operational disruptions.
Value Chain	Bank Operations and Subsidiaries
Location / Sector	Istanbul Main Office (Shared with subsidiaries)
Probability	2
Impact	2
Risk Point	4
NGFS Net Zero Scenario Analysis	• Short Term (1–3 years): No significant increase is projected in temperature and wildfire indicators; therefore, no notable financial impact from physical risks is expected on operational processes. • Medium Term (3–5 years): Although a slight upward trend is observed in temperature and wildfire indicators (temperature increase <0.5%; wildfire risk <0.2%), no substantial cost impact is anticipated on the operations of the office building or the activities of subsidiaries. • Long Term (5 years and beyond): Increases in physical hazard indicators remain quite limited. Accordingly, under this scenario, no deterioration in the resilience of the Bank's direct operations or need for additional investment is expected.
NGFS Current Policies Scenario Analysis	• Short Term: Exposure to heatwaves increases by up to +0.2%, and wildfire risk rises by up to +0.1%. While these changes may lead to a temporary increase in operational costs due to energy consumption and climate control needs, the overall financial impact remains limited given the Bank's single-headquarter building structure. • Medium Term: Heatwave exposure reaches +0.4% and wildfire risk +0.2%. These indicators may elevate indoor comfort challenges and energy consumption, particularly during summer months, potentially leading to a 1–2% increase in operational expenses over the medium term. • Long Term: Heatwave effects exceeding +2% and wildfire risk reaching +0.6% may pose risks to operational continuity. Impacts such as increased electricity use, staff absenteeism, or system disruptions could indirectly reduce overall efficiency.
Term	It is expected to occur in the short term.
Current Impact	Sudden and acute climate events may cause damage to the Bank's owned or leased assets. As the severity of such events increases, they may also harm surrounding infrastructure, potentially leading to direct or indirect operational disruptions.
Projected Impact	Chronic climate variables, such as rising average temperatures and reduced precipitation patterns, are expected to increase the Bank's operational expenditures related to energy and water consumption. In addition, in the long term, the growing intensity of sudden climate events may also impact infrastructure investments. These risks have the potential to create lasting effects on operational efficiency and service continuity. With the implementation of new regulations, the Bank is expected to further classify and manage climate risks in greater detail over the medium term, leading to increased environmental transparency in financial reporting. This may result in additional costs in areas such as information technology infrastructure, staff training, and external consultancy services.
Financial Impacts and Financial Items It Affects	The Bank's operations are conducted from a single headquarter building, and as of now, no structural integrity assessment, engineering data, or localized climate hazard projections are available at a level sufficient to quantify potential damages from acute physical climate events specific to this building. Therefore, in accordance with paragraphs 19–21 of TSRS 2, this risk is reported qualitatively as a non-financially quantifiable risk. Due to the absence of local climate hazard data and structural vulnerability analyses, it is not possible to model potential damage scenarios or estimate monetary impacts. However, potential consequences may include the need for revaluation of tangible fixed assets, increased operational costs, and revenue losses arising from service interruptions.
Risk Mitigating Activities	To prevent or mitigate potential business losses or crises resulting from acute risks that may cause sudden and unplanned disruptions, the Bank has established a Contingency and Emergency Action Plan to address such urgent and unforeseen situations. As part of this plan, an Emergency Control Center has been set up, with clearly defined response procedures and communication channels. Emergency Response Teams play an active role in critical functions such as fire response, evacuation, search and rescue, and first aid. These teams are kept prepared through regular training and drills. All personnel are informed about emergency scenarios and participate in simulations, while strategic coordination is ensured through a Crisis Management Team and Steering Committee.

Risk Category	Physical Risks
Key Risk Indicators	Number of Operational Disruptions Caused by Climate Events Frequency of Activation of Business Continuity and Emergency Plans Impact of Physical Risks on Critical Operations
Action Plan	Scenario analyses have indicated that the Bank's physical assets may be exposed to acute climate events such as heatwaves and wildfires. To prevent such risks from causing operational disruptions, the Bank has already established a Contingency and Emergency Action Plan. This plan includes measures to ensure operational continuity during potential crises, safeguard information systems, and implement personnel-specific response procedures. The action plan functions as an integral part of the Bank's existing risk management procedures and serves as a response framework to the short- and medium-term climate events anticipated in the scenario analyses.Due to the current lack of reliable data, it has not been possible to accurately quantify physical climate risks at the building and facility level for the Bank's headquarters and its clients' operational areas. In line with the principle of reasonable effort, the Bank continues to conduct scenario analyses at the sectoral level. This approach aims to monitor risks through qualitative assessments, taking into account existing data limitations, and to inform medium-term strategic planning efforts.
Direct and Indirect Reduction Studies	An Emergency Control Center has been established and Emergency Action Plans have been developed. Operational emissions have been reduced, and both energy and water efficiency have been improved. In 2024, the Bank's total water consumption was 5,318.69 m^3, and all technical assessments began to incorporate climate adaptation criteria. Operational emissions (Scope 1+2) were recorded at 1,336 tons of CO_2e in 2024. Climate awareness trainings were delivered to employees, and digitalization in operations was expanded. As part of internal capacity-building programs, all staff received a 90-minute "Sustainability and ESG" training, strengthening organizational knowledge on climate and sustainability matters.

Risk Category	Physical Risks
Risk Definition	Acute physical risks may lead to reduced revenues, asset damage, or a decline in asset values for customers within our loan portfolio. These outcomes can result in delays in loan repayments or even defaults by our clients.
Value Chain	Credit Portfolio
Location / Sector	• C – Manufacturing • D – Electricity, Gas, Steam and Air Conditioning Supply • K – Financial and Insurance Activities
Probability	2
Impact	2
Risk Point	4
NGFS Net Zero Scenario Analysis	• In the short term (1–3 years), a limited increase in heatwaves (+0.2%) and a slight rise in wildfire risk (+0.1%) are projected. • In the medium term (3–5 years), heatwaves are expected to increase by approximately +0.4%, and wildfire exposure is projected to rise by +0.4%. In certain sectors, flood-related damages may show a potential increase of up to +5%. • In the long term (5 years and beyond), heatwave exposure is expected to reach +1.5%, and areas affected by wildfires may increase by up to +1.0%. Additionally, annual flood damage is projected to rise by as much as +20%. This indicates that long-term physical risks could become more pronounced in specific sectors. Given that changes in temperature, wildfire, and flood parameters remain relatively moderate in this scenario, no significant disruptions are expected in the operations of clients within the loan portfolio. However, monitoring activities are ongoing for climate-sensitive sectors (e.g., agriculture, tourism), taking into account regional differences.
NGFS Current Policies Scenario Analysis	• Short Term: Temperature and wildfire impacts remain limited; however, regionally—particularly during the summer months—there may be reduced productivity in production processes, delays in transportation, and stress on cash flows. • Medium Term: Flood-related damages may reach up to +20%, which can increase maintenance and repair requirements and the risk of project delays, especially in infrastructure and construction projects. This may lead to potential challenges in loan repayments. • Long Term: Temperature effects are projected to reach +3.5%, wildfire risk +2.5%, and flood-related damages up to +50%. These levels may intensify credit risk factors in certain sectors (e.g., cement, energy, construction), including the depreciation of physical asset values and weakening of collateral.
Term	It is expected to occur in the short term.
Current Impact	With the increasing severity of physical risks such as extreme weather events, drought, and declining water resources, the resilience of projects financed by the Bank to environmental conditions will become increasingly critical. Integrating preventive measures—such as emergency action plans, green infrastructure investments, and risk-sharing mechanisms—into project feasibility studies will become essential. This may lead to greater complexity in technical consultancy processes and longer preparation times prior to investment. Acute physical risks may result in reduced revenues and asset damage for clients within the loan portfolio. These outcomes could lead to delays in loan repayments or even borrower defaults.

Risk Category	Physical Risks
Projected Impact	With the increase in physical risks such as extreme weather events, drought, and the depletion of water resources, the projects financed by the Bank may require additional investments—particularly in infrastructure—to enhance their resilience to worsening and chronic climate conditions. The potential need for repairing physical damages may also lead to increased costs, which could, in turn, result in delays or defaults in loan repayments by our clients. Moreover, it is recommended that the long-term budgeting of financed projects take into account the potential impacts of chronic climate risks (e.g., rising temperatures, floods), such as increased maintenance and repair needs, as well as rising insurance premiums.
Financial Impacts and Financial Items It Affects	Due to the absence of location-based vulnerability data for clients, facility-level climate modeling, and historical damage records, it is not currently possible to quantitatively assess the credit portfolio's response to physical climate risks. Additionally, the regional scale of NGFS scenarios and their misalignment with client-specific data are among the main barriers to financial quantification. In this context, in accordance with paragraphs 19–21 of TSRS 2, these risks are reported solely on a qualitative basis. The lack of climate hazard, resilience, and damage data at the facility level prevents the estimation of monetary impacts of credit risks. The materialization of physical risks may negatively affect "Gross Loans," "Provisions," and "Loan Impairment Expenses." There is a potential risk of increased default rates and a deterioration in repayment performance.
Risk Mitigating Activities	The Bank aims to enhance resilience to related risks by diversifying its credit portfolio across different sectors. As part of the Environmental and Social Risk Assessment process, clients are required to prepare Emergency Action Plans, thereby supporting them in improving preparedness and minimizing potential damages in the face of such risks.
Key Risk Indicators	Default rate Delay rate
Action Plan	Scenario analyses indicate that heatwaves, wildfires, and flood risks may increase in the sectors in which our credit portfolio clients operate. In this context, as part of the Bank's Environmental and Social Risk Assessment process, clients are expected to prepare Emergency Action Plans tailored to their specific operations. This approach aims to enhance clients' preparedness against physical climate risks and mitigate the potential impact of such risks on their loan repayment performance. The implementation is carried out under existing internal procedures and serves as a proactive measure for the entire portfolio, depending on the sectoral spread of the risk.
Direct and Indirect Reduction Studies	In credit analyses, climate-related disaster risks are thoroughly assessed using reports from the Turkish State Meteorological Service and World Bank-supported tools, and risk mitigation measures have been implemented accordingly. Within technical evaluation processes, project-based carbon impact, climate resilience, and compliance with green building standards have been made mandatory. In 2024, 59 projects were subjected to the Environmental and Social Risk Assessment process. Environmental and social obligations have been imposed on projects, making emergency and adaptation plans mandatory at the client level. By incorporating environmental obligations into project contracts, the Bank encourages the reduction of indirect emissions.

Risk Category	Transition Risks - Regulation Risks
Risk Definition	International and local regulations such as the EU Taxonomy, the Carbon Border Adjustment Mechanism (CBAM), and the Türkiye Sustainability Reporting Standards (TSRS) may increase the legal obligations and associated costs for both our Bank and the companies in our portfolio. These companies may also face challenges in complying with the relevant regulatory requirements.
Value Chain	Bank Operations, Subsidiaries, and Credit Portfolio
Probability	3
Impact	3
Risk Point	9
Term	It is expected to occur in the short term.
Current Impact	With the implementation of regulations such as CBAM, TSRS, and the EU Taxonomy, a decline in financing demand and tighter lending conditions have been observed in carbon-intensive sectors. Clients with low ESG compliance have experienced increased risk premiums and a growing need for restructuring. In 2024, there was a contraction in credit demand from carbon-intensive sectors such as cement and iron-steel. This development had a limited yet measurable impact on TKYB's portfolio size, resulting in a reduction in credit volume for these sectors. Key drivers behind this contraction include carbon pricing risks, heightened regulatory pressure, and a shift in investor expectations.
Projected Impact	In line with carbon pricing, the CBAM, and sector-specific regulations, an increase in credit risk premiums is expected for projects financed in high transition risk sectors such as cement, iron-steel, and textiles. This increase may be reflected in the form of higher interest rates and stricter collateral requirements. It is likely to impact the Bank's risk appetite and portfolio quality indicators.

Risk Category	Transition Risks - Regulation Risks
Financial Impacts and Financial Items It Affects	Due to the credit-heavy structure of TKYB's portfolio, the systematic integration of climate and sustainability risks into credit risk management has emerged as a necessity. TKYB's corporate and project loan rating models incorporate environmental and sustainability risk variables, which directly or indirectly influence customer ratings. For example: Corporate/SME Rating Model: Factors such as carbon taxes, CBAM compliance, and sector-specific restrictions lead to an increased risk of financial stress in high-emission sectors. Project Finance Rating Model: If the Raw Material/Resource Risk criterion (e.g., geothermal, biomass, mining) is rated weak, the average rating score decreases by 2 points. To assess the impact of climate risks on the loan portfolio, transition risk and carbon intensity variables have been integrated into the TFRS 9 Expected Credit Loss (ECL) calculations. Quantitative findings: • Total ECL as of 31.12.2024: TRY 1,795,663,192.65 • ECL increase with the inclusion of the transition risk variable: TRY 7,900,080.66 (0.44% of the total) • ECL increase with the inclusion of the carbon intensity variable: approximately TRY 8.5 million • Total ECL for the portfolio assessed for transition risk: TRY 1,672,813,894 → becomes TRY 1,680,713,975 when transition risk is reflected • ECL for clients with Scope 1–2 emissions data: TRY 255 million → becomes TRY 263.6 million when carbon intensity is reflected ECL distribution based on transition risk: • Low transition risk: TRY 1.575 billion • Medium and higher risks: approximately TRY 98 million Transition risk impact coefficients: 1 for low, 1.25 for medium, 1.5 for medium-low, 2 for medium-high, and 2.5 for high. As of 2024, the operational risk exposure stands at TRY 12.9 billion, which is sufficient to cover the potential capital needs arising from climate-related operational risks. While TKYB has largely financialized the impacts of transition risks, quantitative assessment could not be conducted for a limited number of clients and small-scale business areas where carbon data is unavailable or not yet subject to regulatory requirements. For these cases, only qualitative risk assessments have been carried out.
Risk Mitigating Activities	• The Bank collaborates with stakeholders such as chambers of industry and commerce, as well as universities, to mitigate regulatory risks. • Under the scope of loans provided, clients' environmental and social maturity levels are assessed, their compliance with national legislation is monitored, and their performance is enhanced accordingly. • To reduce the impact of climate-related regulatory risks, the Bank offers thematic funding sources to its clients.
Key Risk Indicators	Number of Clients Subject to CBAM (Carbon Border Adjustment Mechanism), Number of Clients Subject to TSRS (Türkiye Sustainability Reporting Standards)
Action Plan	Due to the credit-heavy structure of TKYB's portfolio, the systematic integration of climate and sustainability risks into credit risk management processes has become essential. In this context, environmental and sustainability risk variables have been incorporated into the Bank's corporate and project loan rating models, and these variables are reflected in customer rating scores either directly or indirectly. For example, in the rating model for corporate and SME clients, factors that may cause financial stress in high-emission sectors—such as carbon taxes, CBAM compliance, and sector-specific restrictions—have been included in the assessment system. In the project finance rating model, if the raw material and resource risk criteria are considered weak, customer ratings decrease by an average of 2 points. To quantify the impact of climate risks on the loan portfolio, transition risk and carbon intensity variables have been integrated into the Expected Credit Loss (ECL) calculations under TFRS 9. As a result of these analyses, the total ECL amount was calculated as TRY 1,795,663,192.65 as of 31.12.2024. When the transition risk variable was integrated, an increase of TRY 7,900,080.66 (approximately 0.44%) in the ECL amount was observed. The integration of the carbon intensity variable led to an additional increase of approximately TRY 8.5 million in ECL. For the portfolio evaluated for transition risk, the ECL amount increased from TRY 1,672,813,894 to TRY 1,680,713,975 after applying the transition risk impact coefficient. In the carbon intensity analysis, for clients with Scope 1 and 2 emissions data, the ECL amount rose from TRY 255 million to TRY 263.6 million after applying the carbon intensity impact coefficient. These impact ratios remain limited due to the Bank's portfolio being largely composed of renewable energy projects with low transition risk. Based on transition risk, the distribution of ECL shows that for the low transition risk customer group, the total ECL amount is TRY 1.575 billion, while for portfolios with medium and higher risk levels, this amount is approximately TRY 98 million. Transition risk impact coefficients were determined based on sectoral expert opinions and market practices: 1 for low risk, 1.25 for medium, 1.5 for medium-low, 2 for medium-high, and 2.5 for high risk. As of 2024, the Bank's operational risk exposure stands at TRY 12.9 billion, which is sufficient to cover the potential capital needs arising from climate-related operational risks.
Direct and Indirect Reduction Studies	Technical analyses and environmental-social risk assessments for carbon-intensive sectors have been deepened, and regulatory compliance processes have been integrated into credit policies. In line with the net-zero target, financing will be increased for projects that support the transition to a low-carbon economy, and a large portion of the credit portfolio will be aligned with sustainability criteria. In 2024, approximately 96% of the loan portfolio was aligned with the Sustainable Development Goals (SDGs). To support companies' compliance with regulations, advisory services have been provided and financial instruments have been developed. Environmental performance criteria have also been incorporated into supplier evaluation processes.

Risk Category	Transition Risks – Reputation Risk
Risk Definition	Financing projects or companies that have a negative impact on climate change may result in reputational damage and potential financial penalties. Our Bank conducts an Environmental and Social Impact Assessment for every investment and business it finances. In cases where environmental and social requirements are inadequately addressed during this assessment process, any resulting non-compliance in financed projects may pose a significant reputational risk for the Bank.
Value Chain	Bank Operations, Subsidiaries, and Credit Portfolio
Probability	1
Impact	3
Risk Point	3
Effects on Term and Scenarios	• Short Term (1–3 years): Non-compliance issues arising during the assessment processes conducted by funding institutions as part of their environmental and social audits may lead to delays in accessing funds or limitations on technical assistance. For credit clients operating in carbon-intensive sectors, emission limit exceedances exceeding TRY 1.3 million and reporting violations amounting to approximately TRY 250 thousand as of 2025 represent a significant operational risk. • Medium Term (3–5 years): With increasing regulatory pressure, lack of compliance may weaken the Bank's green asset ratio and ESG performance. Firms that do not invest in compliance may face operational restrictions and deterioration in their credit risk profiles. • Long Term (5+ years): As environmental awareness increases, lasting reputational damage may occur in the public sphere. This could reduce international investor interest and raise the cost of financing. Stricter regulations and potential carbon pricing schemes may limit access to financing for companies that fail to transition to a low-carbon model. Therefore, environmental compliance performance will increasingly become a decisive factor in TKYB's prioritization of sectors and client selection.
Term	It is expected to occur in the short term.
Current Impact	In the absence of a climate-aligned transition, companies within TKYB's credit portfolio may face financial and reputational liabilities. For some clients operating particularly in carbon-intensive sectors, failure to maintain transparency or fulfill compliance obligations may lead to increased reputational risks in the short term—especially among SMEs with limited environmental compliance capacity. Financing projects or companies that negatively impact climate change can result in reputational damage and potential financial penalties.
Projected Impact	In the medium term, companies that fail to comply with environmental obligations may face disruptions in the sustainability of their operations. This could deepen negative perceptions among investors and regulatory authorities, leading to difficulties in accessing finance. In the long term, with the implementation of carbon regulations and potential sanctions, the position of non-compliant companies within TKYB's portfolio may be reassessed, and financial relationships with such clients may be restricted.
Financial Impacts and Financial Items It Affects	Reputational risk may arise in cases where environmental and social impact assessments are insufficient. However, it cannot be directly financialized. This is due to the nature of the risk being reputation-based, the absence of a systematic dataset specific to the Bank, and the lack of quantifiable impacts. The effects of this risk tend to materialize indirectly and over the long term, depending on investor perception, customer behavior, and the preferences of funding institutions. Nevertheless, due to the lack of reliable data, it cannot be systematically measured. In particular, reputational losses associated with SMEs with weak environmental compliance capacity may create secondary impacts on items such as "Gross Loans," "Provisions," and "Interest Income."
Risk Mitigating Activities	Under TKYB's Environmental and Social Risk Policy, assessments are conducted by qualified engineers and social experts and are subject to a dual-control system. The assessment methodology is regularly reviewed and enhanced in collaboration with funding institution teams. Loan applications are evaluated in accordance with the Excluded Activities List, and no financing is provided for projects on this list. For projects outside the list, climate adaptation and mitigation requirements are incorporated into loan agreements. Relevant teams regularly participate in specialized training programs.
Key Risk Indicators	• Number of Climate Finance-Related Legal Cases • Number of Clients/Investments Involved in Environmental Litigation

Risk Category	Transition Risks – Reputation Risk
Action Plan	In the absence of a climate-aligned transition, companies within TKYB's credit portfolio may face financial and reputational liabilities. For some clients operating in carbon-intensive sectors, the inability to sustain transparency processes or fulfill compliance obligations—particularly in the short term (1–3 years)—may increase reputational risk, especially among SMEs with limited environmental compliance capacity. In the medium term (3–5 years), non-compliance with environmental obligations may undermine the sustainability of operations, deepen negative perceptions among investors and regulatory authorities, and result in difficulties in accessing finance. In the long term (5 years and beyond), with the implementation of carbon regulations and potential sanctions, the position of non-compliant companies within TKYB's portfolio may be reassessed, and financial relationships with such clients may be restricted. To mitigate this risk, TKYB implements comprehensive assessment processes under its Environmental and Social Risk Policy. Environmental and social risk ratings are conducted during credit applications, and corresponding environmental monitoring and commitment tracking mechanisms are enforced. For companies operating in high carbon intensity sectors, annual monitoring plans are developed, and for clients that do not report emissions, commitment mechanisms are introduced as a precondition for compliance. In line with this approach, analysis and action plans are structured in coordination to address potential reputational losses that may arise under financial risk scenarios. Data-driven inputs are incorporated into decision-making processes in alignment with scenario-based risk classifications.
Direct and Indirect Reduction Studies	An Excluded Activities List has been established, and restrictions have been introduced on the financing of carbon-intensive projects. In 2024, portfolio emissions (Category 15) were calculated as 468,258 tCO_2e. Financing has been prioritized for low-carbon sectors by reducing exposure to carbon-intensive industries within the portfolio. Transparency and communication strategies that enhance the Bank's reputation have been implemented, alongside the widespread adoption of practices such as digital documentation and online meetings. Environmental and social risk assessment processes have been conducted by expert teams, and project-specific Environmental and Social Action Plans (ESAPs) have been made mandatory. For projects categorized as A, B+, B-, and C, ESAPs are prepared and subject to a structured monitoring program. ESG assessment processes have been strengthened through third-party independent audits, and supplier evaluation criteria have been enhanced. Environmental and social requirements are incorporated into project contracts, encouraging green transformation at the client level.

Opportunity Category	Transition Opportunities – Supporting Local Green Transformation, Access to Green Finance and Portfolio Expansion
Opportunity Definition	In alignment with international frameworks such as the European Green Deal and the Paris Agreement, access to green finance sources is being expanded, while demand for loans in high-growth potential areas such as renewable energy, energy efficiency, and sustainable infrastructure is rapidly increasing. This trend enables our Bank to reach new customer segments through its sustainability-themed products and services and to diversify its portfolio in line with strategic priorities.
Value Chain	Bank Operations, Subsidiaries, and Credit Portfolio
Impact	2
Possibility	2
Expected Term	It is expected to occur in the short term.
Current Impact	The integration of environmental risks into financial risk assessments has led to an increase in credit risk premiums, particularly in sectors with high carbon exposure. At the same time, collateral requirements for such projects have tightened, resulting in higher risk scores and increased capital requirements. These developments have accelerated the shift in TKYB's credit portfolio composition toward ESG-compliant sectors. The growing share of ESG-aligned loans has positively impacted key indicators such as the Bank's sustainable loan ratio and its capacity to access thematic funding. Capital allocations have increasingly focused on sectors with green and social impact, driving a strategic rebalancing of the portfolio.
Projected Impact	The ongoing transformation in sustainable finance driven by the European Green Deal and the Paris Agreement will continue to create significant opportunities for TKYB in the coming period. The growing global demand for green investments and the expansion of climate-focused funding by international financial institutions are supporting credit growth in areas aligned with the Bank's strategic priorities. Accordingly, the increasing need for financing in renewable energy, energy efficiency, low-carbon technologies, and sustainable infrastructure enables TKYB to diversify its credit portfolio with environmentally beneficial projects that carry lower long-term risk profiles. In addition, the use of thematic funds in climate-focused projects helps reduce financing costs and facilitates access to external resources, further strengthening the Bank's competitive position. Within the scope of the net-zero transition process, TKYB's sustainability-oriented market positioning is expected to be further reinforced, boosting investor confidence and enhancing the Bank's capacity to be included in ESG indices. This trend may contribute to more cost-effective access to sustainable finance resources and generate positive impacts on long-term revenue streams.

Opportunity Category	Transition Opportunities – Supporting Local Green Transformation, Access to Green Finance and Portfolio Expansion
Financial Impacts and Financial Items It Affects	As a result of these developments, the share of SDG-aligned investments in the portfolio reached 96.24% by the end of 2024. The total volume of projects financed under Sustainable Development Goal 13 (Climate Action) increased across both investment and working capital loans. Despite a 6% reduction in the Bank's total portfolio risk compared to the previous year, the share of SDG 13 and climate-related investments rose, indicating that TKYB has restructured its risk selection in line with sustainability priorities.
Agreements/Steps to Achieve Climate Resilience	In alignment with international climate policies such as the European Green Deal and the Paris Agreement, increased access to green finance sources is rapidly driving demand for loans in high-growth areas such as renewable energy, energy efficiency, and sustainable infrastructure. This trend enables our Bank to reach new customer segments through its sustainability-themed products and services and to diversify its portfolio in line with strategic priorities. In 2024, TKYB's support for green and sustainable investments gained significant momentum. By the end of 2024, TKYB's share in Türkiye's total installed renewable energy capacity reached 7%. During the same period, the Bank built a robust funding structure through multilateral agreements that supported its business development processes. Notable examples include: • TRY 3.67 billion in climate finance loans and TRY 370 million in grants with KfW, • A "Green 4" loan agreement worth TRY 7.1 billion with JBIC, • A 2024 agreement with the World Bank, including TRY 11.01 billion in loans, TRY 529.3 million in additional financing, and TRY 52.9 million in grants for solar energy projects, • Partnerships with the OPEC Fund for TRY 1.8 billion and the Islamic Development Bank for TRY 3.5 billion, focusing on agriculture, food, and trade-related initiatives.*
Key Indicators	SDG-Aligned Projects in the Portfolio
Action Plan	In order to maximize the benefits of the green transition, TKYB has undertaken comprehensive efforts in both product development and funding diversification. The Bank has updated its Sustainable Finance Framework to enhance the impact of green-themed credit and investment products, introducing new product segmentations and prioritizing climate contribution criteria in project evaluation processes. In terms of external financing, TKYB has secured long-term, cost-effective funding through agreements with multilateral development institutions such as the World Bank, KfW, JBIC, and the OPEC Fund. These agreements have not only expanded funding access but also facilitated the creation of new project pipelines. To improve sustainable portfolio tracking and impact reporting, the Bank has developed internal monitoring tools, enabling more effective oversight of green finance performance. Additionally, sustainability-focused training programs have been expanded to strengthen internal capacity, ensuring that operational processes are increasingly aligned with climate-related opportunities.

The Turkish Lira equivalents of the amounts related to international grants, funds and loan agreements included in the report were calculated based on the USD/TL and Euro/TL exchange rates published by the Central Bank of the Republic of Türkiye (CBRT) on 31 December 2024.

Impacts of Climate-Related Risks and Opportunities on the Business Model and Value Chain

TKYB approaches climate-related risks and opportunities not only from an environmental perspective but also through strategic and operational lenses.

Physical risks encompass external shocks such as floods, droughts, and extreme weather events that may directly affect investments within the client portfolio. Encouraging clients to take precautions against acute physical risks is crucial for maintaining portfolio quality and ensuring the Bank's overall financial stability.

Transition risks, on the other hand, highlight the growing need for business model transformation through compliance with climate regulations, fulfillment of sustainability commitments, and the implementation of financial support mechanisms for green transformation investments. In this context, financing structured around a low-carbon economy both strengthens the Bank's sectoral positioning and creates a competitive advantage.

The Bank is enhancing its operational processes through digitalization, automation, and data-driven decision-making systems, thereby building a more robust and efficient structure for climate risk analysis and credit scoring. This transformation improves decision-making quality, reduces error rates, and supports faster achievement of strategic goals.

Moreover, TKYB's sustainability approach attracts environmentally and socially conscious investors, helping to expand its green investment portfolio and diversify financing sources. The effective use of thematic funding supports new product development capabilities and provides the Bank with an innovative and adaptive business model.

The first and second-tier elements of our value chain (e.g., development finance institutions, clients, project management, technology and infrastructure management) play a critical role in both climate action and the adaptation process.

TKYB's credit policies and sustainability-oriented technical advisory services enable clients to implement climate-related improvements in their operations. These efforts contribute to the widespread adoption of low-carbon production, energy efficiency, and circular economy practices. The resulting impacts not only help reduce clients' climate risks but also directly support the Bank's business model by lowering project risk and strengthening loan repayment performance.

Through strategic partnerships with international financial institutions and development funds, TKYB has increased the financing of low-carbon and climate-resilient investments across its value chain. As a result, climate-related opportunities—such as carbon reduction projects and the expansion of renewable energy capacity—are being extended to all stages of the value chain. At the same time, transition risks, including regulatory changes and carbon pricing, impact every component of the value chain, continuously steering the Bank's business model toward the development of climate-aligned products and services.

The expected outcome of this transformation is the evolution of TKYB's value chain into a more resilient and climate-focused structure, reinforcing its sustainable finance and advisory service model. In doing so, the Bank not only strengthens its capabilities in climate risk management but also continues to play an active role in developing innovative solutions that contribute to net-zero targets.

In conclusion, TKYB's business model and value chain are being reshaped into an agile, resilient, and sustainable structure through the management of climate risks and the capitalization of climate-related opportunities. This transformation also contributes to long-term value creation in strategic areas such as corporate reputation, employee engagement, and customer satisfaction.

Assumptions Used in Scenario Analyses, Numerical Changes According to Sources and Maturity

In its climate scenario-based analyses, TKYB applied the following key assumptions and data sources to estimate short-, medium-, and long-term financial impacts. These analyses were conducted between 2024 and 2025, based on selected NGFS Net Zero 2050 and Current Policies scenarios, World Bank PMR carbon price projections, and Türkiye's climate policy frameworks, including NDC, TSRS, CBAM, and ETS draft regulations.

The data used by the Climate Impact Explorer is sourced from global datasets provided by open-access international model comparison projects such as ISIMIP (Inter-Sectoral Impact Model Intercomparison Project) and CLIMADA. The physical climate parameters produced by these models—such as temperature rise, wildfire exposure, and flood risk—were utilized to generate projections specific to TKYB's regions of operation.

As part of the scenario analysis, climate parameters were mapped for the Bank's headquarters building located in Istanbul, in line with the aforementioned sources. The changes projected across different time horizons under the selected scenarios were interpreted using graphs and regional maps.

Assumptions Used in Scenario Analyses, Numerical Changes According to Sources and Maturity

In the analysis conducted for the credit portfolio, region-specific mapping was not performed due to the portfolio's size and the significant time, infrastructure, and resource requirements associated with conducting such a study at a regional scale. Instead, a methodology parallel to the Istanbul headquarters analysis was applied, examining the graphical trends of selected climate parameters across Türkiye as a whole. Evaluations were carried out for different time horizons based on the percentage increases and decreases in these parameters under each scenario. The applied scenarios were not assessed individually at the portfolio level; rather, the impacts generated by each scenario on the portfolio were described qualitatively in the section titled "Impacts of Physical Risks on TKYB Over Different Time Horizons Based on Scenario Analysis." As a result, detailed information on which financial items may be affected has been deferred for future analysis.The macroeconomic assumptions and modeling approaches used below are based on various sources, and the validity and effectiveness of these assumptions are supported by a range of scientific studies:

1. Carbon Price Assumption

Carbon prices have been derived from up-to-date data obtained through global market mechanisms aimed at reducing carbon emissions. As stated in the World Bank's State and Trends of Carbon Pricing 2025 report, the share of global emissions covered by carbon pricing instruments (such as carbon taxes and Emissions Trading Systems – ETS) has risen to approximately 28%. The data and future projections generated by these pricing mechanisms are used as key assumptions in scenario analyses.*

2. Capital flow assumption

The increase in sustainability-linked loans and financial flows is significantly influencing credit costs and capital allocation. Sustainability-linked loans tie companies' financing costs to their sustainability performance, thereby encouraging the redirection of capital flows toward greener and more socially impactful projects. The growing sensitivity of financial institutions to ESG performance in relation to credit costs and funding flows is taken as a reference in modeling these assumptions.**

3. ESG score–cost of capital correlation

It has been demonstrated that changes in ESG scores provided by rating agencies such as MSCI significantly influence investors' portfolio decisions and companies' market valuations, thereby clarifying the correlation between ESG scores and the cost of capital. For example, companies that experience a downgrade in their ESG rating tend to see an average abnormal negative stock return of approximately 2.37% within one year.

Global trends in carbon pricing, sustainable capital flows, and the correlation between ESG scores and cost of capital directly influence TKYB's financing and investment strategies.

Rising carbon prices and sustainability-driven capital allocation necessitate the Bank's prioritization of low-carbon and environmentally aligned projects. At the same time, the impact of ESG performance on funding conditions reinforces the need to more systematically integrate environmental and social risk assessments into credit allocation processes.

In this context, TKYB aims to manage risk premiums linked to sustainability performance more effectively and to optimize its financing costs accordingly.

Areas of Uncertainty in Climate Scenarios Assessment

In TKYB's climate scenario-based analyses, several areas of uncertainty emerge as limiting factors that affect the scope of assessments and the certainty of findings. While the Bank has conducted portfolio- and operational-level analyses at the national scale using the NGFS Net Zero 2050 and Current Policies scenarios, the need for further detailed analysis has become evident due to variations at the micro-regional and sectoral levels.

Geographical and Sectoral Uncertainties:

Although macro-level climate variables across Türkiye are used in scenario analyses, disaster risk parameters (e.g., flood, drought) vary for specific micro-regions and metropolitan areas such as Istanbul, where the Bank's credit portfolio is concentrated. This variability highlights the need for more granular geographic assessments at the portfolio and project levels and represents a key area of uncertainty in the current analyses.

Regulatory and Policy Uncertainty:

A significant portion of the transition risks anticipated in the scenario analyses is influenced by unresolved aspects of Türkiye's emissions trading system (ETS), including its scope, implementation timeline, and sectoral coverage. Similarly, the planned expansion and implementation details of CBAM remain unclear, limiting the certainty of the carbon cost projections used in the analyses. On a global scale, the evolving timing, scope, and structure of carbon regulations and market mechanisms create a fundamental area of uncertainty in the Bank's financial planning and risk forecasting.

* World Bank Group State and Trends of Carbon Pricing 2025

** Why Linking Loans To Sustainability Performance Is Taking Off

Model and Parameter Uncertainty:

In the NGFS scenarios, it becomes increasingly difficult to accurately predict the regional impacts of climate variables (e.g., temperature rise, changes in precipitation, frequency of extreme weather events) for each 0.1°C increase in global temperature. Model uncertainties arise regarding the alignment of parameter sets with scenarios and their real-world applicability. While it is known that small changes (e.g., in CO_2 concentration or temperature) can trigger large-scale systemic effects, modeling these sensitivities with precision remains highly challenging.

Customer and Sector Adaptation Uncertainty:

The transition pace, technological transformation, and policy alignment capacity of high carbon-intensive sectors (e.g., cement, iron and steel) within the credit portfolio remain uncertain. A slower-than-expected adaptation at the client level could lead to deviations in the Bank's estimated exposure to transition risks. These uncertainties are planned to be integrated into TKYB's stress testing models on a scenario basis. Future projections will be reported along with their associated uncertainty ranges to reflect these limitations transparently.

Areas Where Risks and Opportunities Concentrate on a Sectoral and Asset Basis

Within TKYB's business model and value chain, climate-related risks and opportunities are observed with varying levels of intensity and impact depending on geography, sector, and asset type. This differentiation is directly reflected in the composition of the Bank's credit portfolio and the characteristics of the sectors it finances.

1. Sectoral Concentration

Climate-related physical and transition risks create distinct dynamics across three main sectors in Türkiye. Within the scope of NGFS scenarios, the projected increase in heatwaves, wildfires, and flood risks over time is shaping qualitative assessments of sector-specific vulnerabilities and adaptation capacities.

Manufacturing Sector

Rising temperatures and increasing flood risks may place pressure on the physical resilience of infrastructure used in manufacturing operations. In particular, carbon-intensive subsectors such as cement, iron and steel, and textiles face heightened transition risks due to carbon pricing mechanisms, the European Union's Carbon Border Adjustment Mechanism (CBAM), and the need for green transformation investments. These risks can create both operational and financial pressures for export-oriented manufacturing firms. In addition, secondary impacts such as production disruptions caused by flooding in areas where manufacturing facilities are located and rising insurance costs should also be considered.

Electricity, Gas, Steam, and Air Conditioning Sector

Rising temperatures, particularly during the summer months, may lead to increased electricity demand, placing additional strain on the power grid. Wildfire risk poses potential operational disruptions for energy generation facilities and transmission lines. Moreover, due to the sector's high carbon intensity, the implementation of renewable energy investments and emissions reduction measures is essential during the transition process. Although this sector is not directly covered by CBAM, transformation pressure may still be felt across export-linked energy supply chains.

Construction Sector

As a sector that operates directly under climate conditions, the construction industry may experience reduced productivity during heatwaves. Wildfire and flood risks may necessitate additional engineering measures to ensure worker safety at construction sites and enhance structural resilience. Transition risks in this sector tend to emerge indirectly, with growing importance placed on compliance with green building standards, the use of sustainable materials, and carbon footprint management.

Additionally, the agriculture and food sectors are among those most vulnerable to chronic physical risks. Drought, rising temperatures, and soil moisture loss pose threats to supply chain continuity and product quality. These impacts may create potential credit risks for banks providing indirect financing to these sectors.

In general, as the impacts of climate-related risks become increasingly pronounced over time in these three sectors, it is critical to address these risks holistically in strategic planning processes and to take proactive steps toward enhancing sectoral resilience.

2. Concentration by Asset Type

High-emission, outdated technology assets (such as power generation facilities and industrial infrastructure) are classified as high-risk asset groups in the face of climate regulations and often require restructuring.

Infrastructure investments (e.g., HVAC systems, insulation, and drainage systems) are critical for climate adaptation, as they enhance physical resilience. However, they also entail significant capital investments.

Data management and digital infrastructure have become critical for measuring and managing climate risks, playing an increasingly important role in portfolio monitoring and decision-support systems.

The transition risk and carbon intensity analyses conducted in 2024 represent the Bank's first methodological applications aimed at measuring the impact of climate risks on the credit portfolio. Within this framework:

- Transition risk rating studies have been developed on a client-by-client basis and integrated into the internal assessment processes for credit counterparty risks.
- A carbon intensity analysis was performed using Scope 1 and 2 emissions data; however, this analysis was limited to a subset of clients for whom such data was available.

The findings of these analyses are presented in detail in the presentation titled "Climate Risks – Risk Management Unit", which includes methodologies and scopes that can serve as references during audit and review processes.

Nevertheless, the portfolio-wide comparative datasets (e.g., sector-based risk concentrations, classifications by emission intensity) have not yet been published in a systematic format at the numerical level.

Risks and Opportunities That May Require Adjustments in Assets and Liabilities

TKYB conducts early warning system evaluations and restructuring analyses for projects involving asset types with high exposure to climate-related risks and classifies such risky assets separately in its financial statements. In the coming period, scenario-based analyses assessing the impact of climate risks on book values will be reported in greater detail.

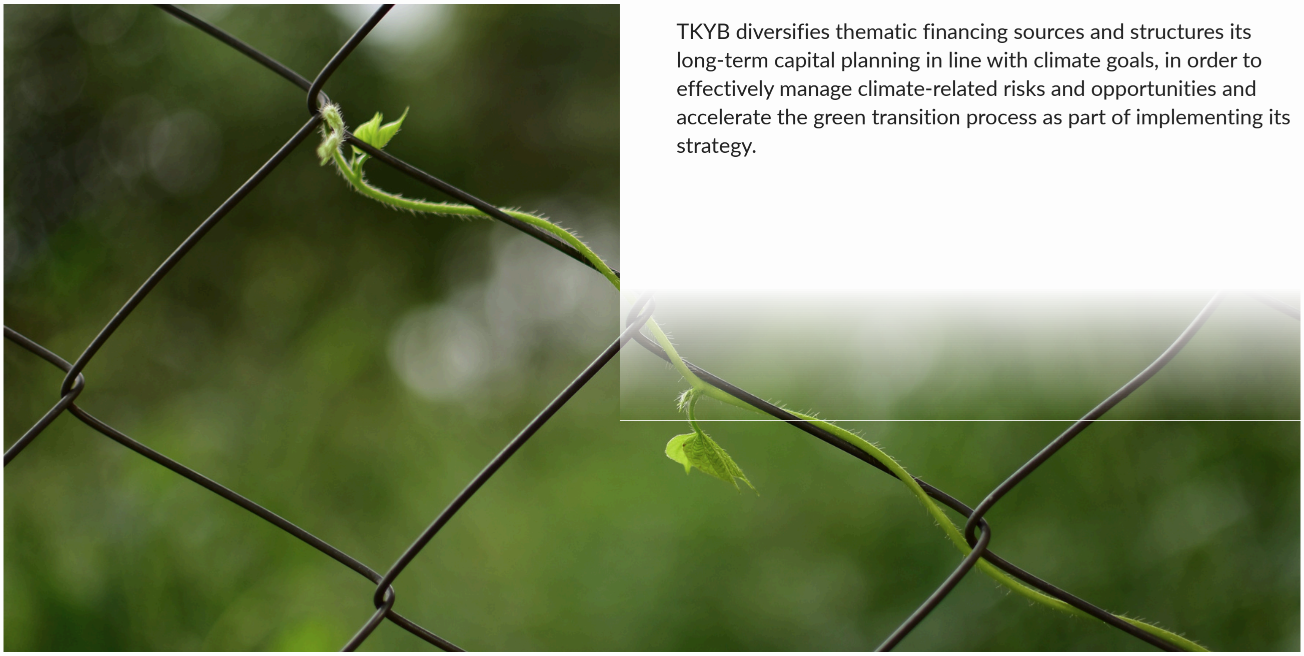
Within the scope of its climate strategy, TKYB is expected to reduce its financial exposure to low-ESG-performing sectors in the short term, diversify its funding base through thematic sources in the medium term, and gain a competitive advantage in sustainable finance over the long term.

The most notable short-term financial shift is the rise in risk premiums and the implementation of a selective financing policy. In the medium term, the share of sustainability-themed products is expected to increase, while in the long term, the Bank aims to stabilize income through risk-aligned pricing systems.

TKYB also supports the transition to low-carbon technologies through investment plans that are not contractually binding but are evaluated within the framework of strategic priorities. For the 2024–2026 period:

Planned Financing Sources and Impacts for Implementing the Climate Strategy

TKYB diversifies thematic financing sources and structures its long-term capital planning in line with climate goals, in order to effectively manage climate-related risks and opportunities and accelerate the green transition process as part of implementing its strategy.



Risks and Opportunities That May Require Adjustments in Assets and Liabilities

Financing and Income-Expenditure Structure Planned within the Scope of TKYB Climate Strategy / AIIB*

In line with its climate strategy and to support sustainable and resilient development, TKYB has reached an agreement with the Asian Infrastructure Investment Bank (AIIB) for a climate and digital transformation-themed on-lending facility for the 2025–2028 period. This facility will be used to finance investments in climate mitigation (CM), climate adaptation (CA), and digital infrastructure (DI), in alignment with the Paris Climate Agreement (PCA).

Financing Sources

- The AIIB will provide a loan totaling TRY 7.06 billion, with a 15-year maturity, including a 3.5-year grace period.
- The funding will be made available in USD and EUR, and it will be directed exclusively toward private sector investments.
- 90% of the loan is classified as climate finance, with 85% allocated to mitigation projects (e.g., renewable energy, energy efficiency), 5% to adaptation projects, and 10% to digital infrastructure investments.

Revenues

- The facility will be extended to private sector projects as sub-loans. TKYB will generate interest income and service fees from these sub-loans, creating a sustainable revenue stream to support the implementation of its climate strategy.
- The minimum tenor for sub-loans is 4 years, with a maximum amount of up to USD 30 million per sub-loan, enabling long-term revenue flows.
- Revenues generated from the facility will be reinvested into similar sustainable projects, establishing a circular financing mechanism.

Costs and Expenditures

- A Project Implementation Unit (PIU) established within TKYB will manage operational activities such as project evaluation, environmental and social (E&S) compliance assessments, site inspections, and reporting.
- Expenditures will cover technical consultancy services, internal and external audit activities, capacity-building programs, and the development of reporting systems in line with AIIB requirements.
- Project-level spending will also include E&S risk assessments and gender-focused analyses.

Timeline and Financial Impact

The project implementation period is scheduled from September 2025 to December 2028. During this period, loan allocations will be made, and monitoring and reporting activities will be carried out.

With the repayment of sub-loans, medium- and long-term revenue streams will be generated, thereby strengthening TKYB's sustainable financing capacity.

To conclude, This structure, planned within the scope of TKYB's climate strategy, not only provides access to external financing but also establishes a sustainable revenue model that supports the country's climate goals by channeling long-term funding to the private sector.

Planned Financing and Revenue–Expenditure Structure under TKYB's Climate Strategy*

Within the framework of the Italian Climate Fund, TKYB aims to support renewable energy investments and contribute to green economic recovery in regions affected by the February 6, 2023 earthquake, through a loan facility planned in cooperation with Cassa Depositi e Prestiti S.p.A. (CDP). The financing will be directed to private sector projects via eligible sub-loans for the installation of photovoltaic solar energy systems.

Financing Sources

- Lender: Cassa Depositi e Prestiti S.p.A. (CDP), on behalf of and for the account of the Italian Ministry of Environment and Energy Security
- Loan Amount: Up to TRY 1.84 billion
- Maturity: Up to 10 years, with a 3-year grace period
- Interest Rate: 6-month Euribor + 2.70% (total rate not to fall below 0.25%)
- Fees:
  - Upfront Fee: 0.50% (collected at contract signing)
  - Commitment Fee: 0.50% per annum (charged on undisbursed balances)
- Repayment: 14 equal semi-annual installments following the pre-amortization period
- Collateral Structure: Unsecured term loan

Revenues

- The loan proceeds will be allocated to private sector projects for photovoltaic system installations. From these sub-loans, TKYB will generate:
  - Interest income, and
  - Service fee income.
- Each sub-loan will have a minimum maturity of 4 years and will be limited to a maximum of EUR 10 million per project.
- The repayments from these sub-loans will be reinvested in other eligible projects, supporting a circular financing model.

The Turkish Lira equivalents of the international grants, funds, and loan agreements included in this report have been calculated based on the USD/TRY and EUR/TRY exchange rates published by the Central Bank of the Republic of Türkiye (CBRT) as of December 31, 2024.

Financing and Income-Expenditure Structure Planned within the Scope of TKYB Climate Strategy

Costs and Expenditures

All costs incurred during the loan period will be covered by TKYB. These include:

- Legal advisory services,
- Stamp duties,
- Reporting systems,
- Environmental and Social Impact Assessment processes (E&S Appraisal),
- Technical monitoring and verification activities.

All costs will be invoiced separately, as agreed upon through negotiations with CDP.

Timeline and Financial Impact

- Loan utilization period: 36 months from the signing date
- TKYB may make a maximum of 5 drawdowns during this period.
    - Each drawdown must be at least TRY 367.1 million and no more than TRY 917.7 million.
    - A new drawdown can only be made once at least 70% of the previous drawdown has been allocated to projects.
- Semi-annual monitoring reports regarding loan utilization will be prepared and submitted to CDP.

This financing structure planned with CDP supports TKYB's green credit mechanism for the private sector and strengthens the Bank's financial capacity in alignment with its sustainable development objectives. The loan's structure—based on principles of transparent reporting, environmental and social compliance, and circular use of funds—makes a direct contribution to Türkiye's climate-focused recovery process.

Repositioning and Transforming Assets

Based on the current scenario results, the Bank has adopted the following practices:

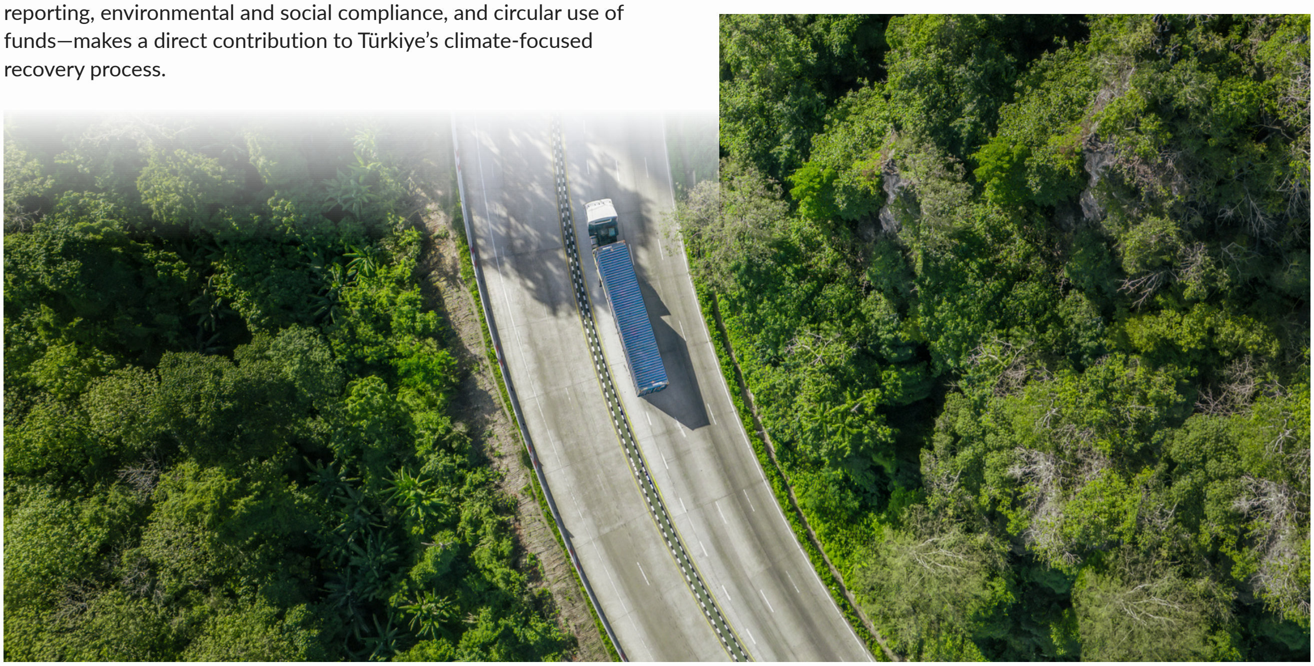
- Project appraisals are being reclassified based on carbon footprint criteria and technical transformation potential.
- Priority transformation areas include: industrial infrastructure with outdated technology, conventional energy projects, and agricultural investments with high water consumption.

The Turkish Lira equivalents of the international grants, funds, and loan agreements included in this report have been calculated based on the USD/TRY and EUR/TRY exchange rates published by the Central Bank of the Republic of Türkiye (CBRT) as of December 31, 2024.

Mitigation, Adaptation, and Resilience Investments

TKYB's current and planned investments are structured according to climate action priorities as follows:

- A total of 1.6 billion TL in renewable energy investments were financed in 2024.
- These projects generated 3,691.4 MWh of electricity and achieved an annual CO_2e reduction of 4.2 million tons.



Risk Management

In line with its development banking vision and responsible banking principles, TKYB considers risk management as an integral component of its corporate governance structure across all areas of operation. The Bank implements a risk management policy fully aligned with the Banking Law, Law No. 7147 on TKYB, the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Process of Banks, and all other relevant regulatory frameworks, to effectively identify, measure, monitor, and manage actual and potential risks.

TKYB manages climate-related financial risks within the scope of its internal control system and through a three lines of defense approach. While this structure is not explicitly defined in the Bank's internal documents and processes, for reporting purposes, the Bank's risk management practices have been adapted and presented under a three-tiered framework, reflecting the existing governance and operational structures. TKYB's Risk Management Policy, Credit Portfolio Management and Monitoring Procedure, Environmental Aspects and Risk Assessment Procedure, and other internal regulations comprise control mechanisms that support the systematic identification, evaluation, monitoring, and mitigation of climate risks.

Within the first line of defense, operational units—such as Credit Allocation, Credit Portfolio Management and Monitoring, Project Finance, and Corporate Banking—are responsible for the initial identification and evaluation of climate risks. These units also implement preventive and control measures to mitigate the occurrence of such risks. In this context, credit allocation and monitoring processes consider climate-related risk factors such as greenhouse gas emissions, carbon footprint, climate resilience, and adaptation capacity. Where necessary, action plans are developed. As part of the credit analysis process, the Bank's engineering team evaluates region-specific climate-related natural disaster risks—including floods, landslides, windstorms, and earthquakes—under four main categories. At the macro level, the assessments are informed by the Turkish State Meteorological Service's (MGM) "Türkiye Meteorolojik Afetler Değerlendirmesi" report, which contains province-level data from 2010–2021. At the micro level, flood and landslide risks are assessed using the World Bank-supported "thinkhazard.org" database, while district-level windstorm risks are analyzed using MGM's "Türkiye Rüzgâr Atlası." Based on this multilayered assessment process, location-specific disaster risk scores are generated and integrated into the Bank's technical credit evaluation procedures.

The second line of defense is composed of the Risk Management Department and the Internal Control and Compliance Department. The Risk Management Department coordinates the identification, measurement, and monitoring of climate risks, while the Internal Control and Compliance Department ensures adherence to internal control mechanisms and oversees the implementation of defined environmental and social standards and procedures. Through stress testing and scenario analysis, the potential impacts of climate risks on the Bank's capital and operations are regularly assessed.

The Internal Audit Board evaluates whether the processes operate in compliance with internal systems and legal regulations and fulfills an oversight role on behalf of the Board of Directors.

This entire structure is regularly reported to senior management and the Board of Directors through the Bank's Decision-Making Committees (such as the Asset-Liability Committee, Credit Evaluation Committee, and Audit Committee). Key documents such as the Monthly Risk Monitoring Reports, Risk Limits Monitoring, and the Internal Capital Adequacy Assessment Process (ICAAP) Report support the integration and oversight of climate risks—particularly those related to the credit portfolio—within the Bank's overall risk management system.

Integrated Management System

To ensure the systematic identification, assessment, monitoring, and management of risks that may arise during banking operations, TKYB implements an Integrated Management System in compliance with national and international standards such as TS EN ISO 9001:2015, 10002:2018, 14001:2015, 45001:2018, and 14064-1.

The Integrated Management System within the Bank has been established to develop, implement, and continuously improve policies related to Quality, Environment, Occupational Health and Safety, Information Security, and Data Privacy. It complies with the requirements of management system standards including TS EN ISO 9001:2015, 10002:2018, 14001:2015, 45001:2018, 27001, and 27701:2019, as well as TS EN ISO 14064-1 and the GHG Protocol Scope 3 Accounting and Reporting Standard. The implementation and oversight of the Integrated Management System are the responsibility of the Sustainability and Environmental-Social Impact Management, Strategy and Organization, and Information Security departments.

Management and Monitoring of Climate Risks

Operational Management of Climate Risks

TKYB systematically addresses climate risks within the framework of its corporate risk management approach. As part of its Integrated Management System, the Bank incorporates climate risks into its environmental and social impact assessment processes, employing a structured methodology to identify, measure, and monitor risks at the project and transaction level.

Climate risks are assessed using a quantitative method based on a probability and impact matrix.

Operational Management of Climate Risks

For activities involving very high risk, immediate actions are taken; high risks trigger rapid response plans; noteworthy risks are addressed through preventive measures; and acceptable risks are monitored and kept under control.

TKYB views climate risks not merely as a compliance requirement, but as a strategic value management tool. Stress testing and scenario analyses enable the Bank to anticipate the potential impacts of climate risks on its capital adequacy and liquidity position, allowing it to develop appropriate strategic responses. Through these analyses, both the financial and operational effects of climate risks are identified at an early stage and are directly reflected in the Bank's strategic planning, resource allocation, and portfolio management decisions.

Managing Climate Risks in Lending Processes

TKYB systematically addresses and manages climate-related financial and environmental-social risks at all stages of the credit lifecycle. The Bank's practices in this area are grounded in internal regulations such as the Environmental and Social Risk Assessment Procedure, Environmental and Social Action Plans (ESAPs), Risk Management Policy, and Credit Allocation Process Procedure, and are supported by regular reporting tools including the Monthly Risk Monitoring Report and Risk Limits Monitoring.

In credit allocation and approval processes, TKYB evaluates climate and environmental-social risks in alignment with both national legislation and international standards (e.g., IFC Performance Standards, World Bank Environmental and Social Framework).

All projects are categorized under the Environmental and Social Risk Classification as low, medium, or high risk, with climate risks—both transition and physical—assessed as a core component of this classification. Climate-related trade-offs are evaluated during credit rating processes. Transition risks (e.g., CBAM compliance, carbon pricing obligations) and physical risks (e.g., flooding, drought, heatwaves) are assessed at both project and portfolio levels and are reflected in the overall risk scoring.

In the credit evaluation process, high-risk projects are required to conduct carbon footprint calculations, implement energy efficiency measures, and meet climate adaptation requirements. Binding environmental commitments are incorporated into loan agreements. These may include the submission of a greenhouse gas verification report, preparation of a waste management plan, or implementation of a biodiversity monitoring program.
As part of the credit approval process, TKYB employs tools such as Environmental and Social Impact Assessments (ESIA), Rapid ESIA, Focused ESIA, Environmental and Social Due Diligence (ESDD), Gap Analyses, Environmental and Social Action Plans (ESAPs), and Independent Monitoring Reports, with the depth of analysis tailored to the project's risk profile.

The credit monitoring process involves the regular verification of whether the climate-related and environmental-social obligations defined at the time of loan approval are being fulfilled. During the construction and operational phases, Environmental and Social Monitoring Reports are requested on a semi-annual basis; implementation performance is evaluated through site visits, on-site inspections, and stakeholder feedback.

TKYB's environmental and social assessment criteria include greenhouse gas emissions and carbon footprint, climate resilience and adaptation capacity, impacts on water resources and biodiversity, community health and safety, resettlement requirements, protection of cultural heritage, and labor standards; risk scoring is carried out based on these criteria, and necessary mitigation measures are identified. These processes are coordinated by the Sustainability and Environmental-Social Impact Management Unit and monitored by the Risk Management Department, Internal Control and Compliance Department, and the Internal Audit Board.

Integration of Climate Risks with General Risk Management

TKYB manages climate risks in an integrated manner within its strategic risk framework, alongside credit, operational, and other major risk types. Climate risks are classified under transition and physical risks and are incorporated into general risk management processes as part of environmental and social risks. This integration is carried out in line with the Bank's Risk Management Policy, Strategic Plan, and relevant procedures, and is governed through high-level decision-making mechanisms such as the Asset-Liability Committee, Credit Evaluation Committee, and Audit Committee.

At the portfolio and financing level, climate risks are indirectly assessed and monitored through credit risk; the outcomes of these assessments are regularly reported to senior management via internal reporting tools such as the Monthly Risk Monitoring Report and Risk Limits Monitoring. Climate risks within credit and operational risk are monitored through transition risk evaluations and carbon intensity analyses. The structured assessment methodologies for environmental and social risks are detailed in other sections of this report.

In 2024, climate and environmental risk indicators were established, and planning has been initiated to evaluate these indicators within the scope of operational risk. Although a formal communication framework between committees has not yet been established, coordination with relevant business units is ongoing, and the process is expected to be developed in alignment with the Bank's corporate risk management systems.

Metrics and Targets

Greenhouse Gas Emission Metrics (Net Emissions)

As of 2024, TKYB has calculated and reported its greenhouse gas emissions in accordance with the TS EN ISO 14064-1:2018 standard and the GHG Protocol. Metric tons of CO_2 equivalent (tCO_2e) emissions generated during the reporting period are classified as follows:

Scope 1 emissions for 2024 were calculated as a total of 365 tCO_2e. These emissions stem from direct fuel consumption and company service vehicles.

Scope 2 emissions for 2024, measured using the location-based method, were calculated at 972 tCO_2e. These emissions originate from the electricity purchased by the organization. The location-based method uses Türkiye's grid average emission factor of 0.442 $kgCO_2e/kWh$ (Republic of Türkiye Ministry of Energy and Natural Resources, 2024). Based on total electricity consumption of 2,197,976.73 kWh in the Istanbul and Ankara offices, 972 tCO_2e of emissions were calculated.

Under the market-based method, Scope 2 emissions were considered zero (0 tCO_2e), since the entire 2,200,000 kWh of electricity consumed was sourced from I-REC certified renewable energy.

TKYB also calculated its financed emissions in accordance with the PCAF methodology and reported a total of 468,258 tCO_2e Scope 3 (Category 15) emissions for 2024, broken down by asset class. These calculations were based solely on disbursed loans, with no undisbursed loan balances included.

The calculations were conducted across four main asset classes. For commercial loans, average emission intensities per thousand TRY were derived using Turkish Statistical Institute (TÜİK) sectoral data and GICS classification codes. In project finance, emissions were calculated based on operational data such as the facility's annual energy output and system efficiency. For commercial real estate investments, publicly available energy consumption statistics were used to estimate building-level energy use and associated emissions. For equity investments and subsidiaries, a proportional allocation method based on total asset size was applied, and emissions attributed to TKYB were calculated according to its equity share.

All emission factors, assumptions, and methodological approaches—sourced from TÜİK, IPCC, and national legislation—have been clearly documented throughout the calculations. In cases where direct activity data could not be accessed, estimations were made using sectoral averages. While this approach introduces certain uncertainties and limitations, emission estimates were developed using the most current and reliable data sources available. According to the PCAF methodology, the data quality scores for most emission estimates fall under Level 3.

The reported emissions cover only those investments that have been financed and are currently active. The financial figures disclosed by TKYB align exactly with the asset values used in the emission calculations, with no discrepancies or duplications. Items excluded from the calculations are clearly indicated in the relevant tables.

As of 2024, the disclosed financed emissions serve as a core monitoring indicator for implementing the Bank's climate strategy. In future periods, these amounts are expected to decline in line with emission reduction commitments and the growth of sustainable finance activities. However, forward-looking projections requested under TSRS 2 B62.d have not yet been defined, and methodological work on this matter is ongoing.

Metrics and Targets

Emission Values for the Bank and Consolidated Subsidiaries

Category	Emissions (tCO_2e)	
Scope 1	365.0321	
Scope 2 (Location Based)	971,51	
Scope 2 (Market Based)	0	
Scope 3		
Category	Category Name	Emissions (tCO_2e)
Category 1	Purchased goods and services	242.3849
Category 2	Capital goods	123.7723
Category 3	Fuel and energy related activities	a
Category 4	Upstream transportation and distribution	1.0301
Category 5	Disposal of waste	0.8188
Category 6	Employee travel	171.6964
Category 7	Employees' commute to work	44.8077
Category 8	Upstream leased assets	b
Category 9	Downstream transportation and distribution	0.4186
Category 10	Processing of sold products	c
Category 11	Use of sold products	d
Category 12	Disposal of sold products at the end of their life	e
Category 13	Downstream leased assets	f
Category 14	Franchises	g
Category 15	Investments	468,258.4785
Kapsam-3 Total		468,843.4075

Subsidiaries and other unconsolidated companies[h]	Emissions (tCO2e)
Scope 1+ Scope 2(location based)	10,076.15

a: We do not engage in activities such as the production of physical goods or direct energy generation. Therefore, emissions have only been calculated for our own energy consumption and fuel use, while emissions from out-of-scope activities have not been included.
b: The financial impact of leased assets is negligible in terms of emissions, and thus has not been included in the calculations.
c: As our Bank provides only financial services, there are no indirect emissions resulting from the processing of sold products.
d: Since we do not produce any physical products in line with our banking operations, we are unable to directly calculate emissions from the use phase of such products.
e: As the Bank does not sell physical products, emissions related to end-of-life treatment of such products are also not calculated.
f: The financial impact of leased assets is negligible in terms of emissions, and thus has not been included in the calculations.
g: Franchises are not within the scope of our Bank's operations and are therefore excluded from the calculations.
h: Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş., Kalkınma Yatırım Varlık Kiralama A.Ş., and Maksan Malarya Makine Sanayi A.Ş. have been included in the calculation. Other subsidiaries have not been included as they are not considered material.

Scope 1 and Scope 2 Measurement Approach, Inputs, and Assumptions

TKYB utilizes a corporate carbon footprint calculation methodology developed in accordance with the TS EN ISO 14064-1:2018 standard and the GHG Protocol to measure its greenhouse gas emissions.

Measurement inputs are as follows:
Scope 1 and Scope 2 greenhouse gas emissions have been calculated in accordance with nationally and internationally recognized standards. The activity data used in the calculation process are based on direct meter readings, invoice records, and official consumption data obtained from relevant operational units.

Emission factors and other multipliers have been obtained from the following sources:

- 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 (2024)
- Ministry of Energy and Natural Resources – Emission Factors for Electricity Generation and Electricity Consumption Points in Türkiye
- Regulation on Increasing Efficiency in the Use of Energy Resources and Energy (Annex-2)
- Regulation on Measurement and Measuring Instruments (for meter uncertainties)
- Ecoinvent 3.11
- ICCT (The International Council on Clean Transportation)

In line with these sources, CO_2e emissions have been detailed across various categories such as natural gas, electricity, diesel, gasoline, refrigerants, fire extinguishers, business travel, hotel stays, waste, and purchased goods and services. Where applicable, "well-to-tank" (WTT) effects and transmission/distribution losses have also been taken into consideration.

There have been no significant changes in the measurement approach, inputs, or assumptions during the 2024 reporting period.

An uncertainty assessment was conducted for the data used in emission calculations. Based on the "Regulation on Measurement and Measuring Instruments," the following uncertainty rates were assumed for meter-based consumption:

- Electricity meters: 3.50%
- Natural gas meters: 3.00%

For non-metered, declared, or estimated consumption, where measurement accuracy is limited, a 7% uncertainty rate has been applied. This rate was selected to remain within a safe range based on the prudence principle of the ISO 14064-1 standard and the 5–10% range recommended by the IPCC 2006 guidelines. Areas with high uncertainty include: non-metered consumption, service procurements, contractor activities, and estimated data.

Scope 3 Emission Measurement Approach, Inputs, and Assumptions

Emissions resulting from the products and services procured from our supplier network have been calculated. Relevant data were collected to determine the environmental impact of purchased items such as paper, cardboard, office supplies, food, and beverages, and emissions were calculated accordingly.

Emissions arising from the use of the Bank's fixed assets (such as machinery and equipment as capital goods) have been calculated. As we do not engage in activities such as the production of physical goods or direct energy generation, only emissions related to our own energy consumption and fuel use have been calculated; emissions from out-of-scope activities have not been included.

To identify the indirect emissions from logistics processes with our suppliers, we monitored transportation and distribution activities. These emission calculations were based on data obtained from transportation companies and covered all data from the year 2024.

The indirect emissions generated during the treatment and disposal of waste resulting from our operations have been calculated. Emission calculations took into account various types of waste in our waste management processes, including paper, plastic, glass, and electronic waste.

The carbon footprint of transportation vehicles such as planes, trains, ships, and cars used by Bank employees for business travel has been calculated and reported on a kilometer basis.
Emissions from the service vehicles used by Bank employees for commuting have been calculated.
To identify the indirect emissions from logistics processes with our suppliers, we monitored transportation and distribution activities. These emission calculations were based on data obtained from transportation companies and covered all data from the year 2024.

As the Bank only provides financial services, there are no indirect emissions resulting from the processing of sold products.
As our banking activities do not involve the production of physical goods, we are unable to directly calculate emissions resulting from the use phase of products.

As the Bank does not sell physical products, emissions from the end-of-life disposal of such products are also not calculated.
Franchises do not fall within the Bank's scope of activities and therefore this category has not been included.

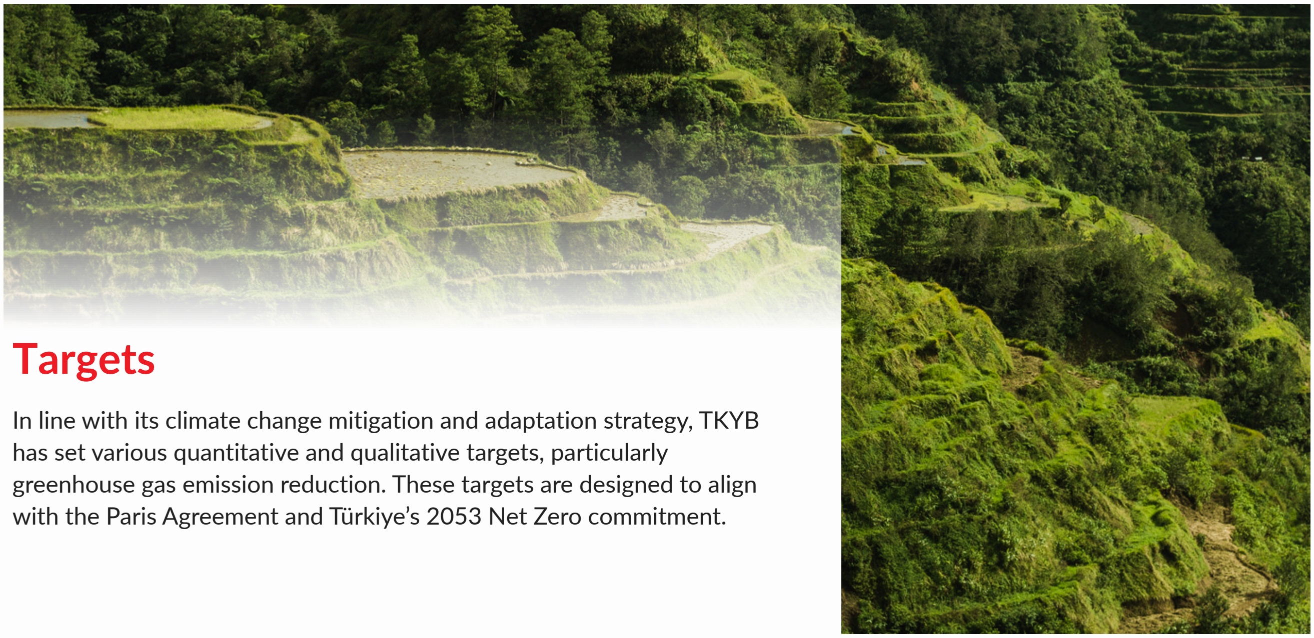
Scope 3 Emissions by Asset Class

Asset Class	Financed Emissions (tCO2e)	Activity Output	Unit	Data Quality PCAF Score
Credits	381,432	49,555,230,415	TL	-
Real estate	61,813	3,285,806	m²	-
Project Financing	14,938	9,497,139	MWh	-
Capital Investments	10,076	117,316,401	TL	3.00
Total Scope 3 Category 15 Emissions	468,258.48			

TSRS 2 Sectoral Metrics

In line with TKYB's scope of operations, disclosures covering the "Commercial Banks" sector were evaluated in Volume 16 of the TSRS-2 Sector-Based Application Guidelines. Accordingly, sector-specific sustainability metrics and disclosure obligations are presented, taking into account the criteria in the relevant volumes.

Volume 16 - Commercial Banks	Metric	Category	Unit of Measurement	Metric (2024)	Code
Incorporating Environmental, Social and Governance Factors into Credit Analysis	Total loan volume provided with sustainable financing	Discussion and Analysis	No Unit	TKYB 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-specific ESG risks are systematically analyzed during technical assessment and decision-making processes; environmental and social action plans are developed for all projects; and projects are monitored environmentally and socially throughout the loan term. Thus, the 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 their current and checking accounts	Quantitative	Number	We do not have any individual customers.	FN-CB-000.A
Credits	For segment, (b) (1) number and (2) value of small business checking and deposit accounts	Quantitative	Number	We do not have any individual customers.	
Credits	(c) number and value of corporate loans by segment	Quantitative	Number	Number of Credits: 1,397 Value: 2,647,573,606.37 TL	FN-CB-000.B



Targets

In line with its climate change mitigation and adaptation strategy, TKYB has set various quantitative and qualitative targets, particularly greenhouse gas emission reduction. These targets are designed to align with the Paris Agreement and Türkiye's 2053 Net Zero commitment.

Performance Indicator	Metric	Base Year	Target Type	2030	2033	2050	Update Frequency	SDG Relationship
Scope 1 and Scope 2 Emissions	tCO_2e	2023	Net	-	40%	100%	Yearly	
Ratio of ESG Investments to Total Investments	Percentage (%)	2024	Qualitative	An upward trend is targeted.			Yearly	
Sustainable Themed Bond/Sukuk Issuance	Million TL	2024	Qualitative	An upward trend is targeted.			Yearly	
Financing for Energy Efficiency Investments	Million TL	2024	Qualitative	An upward trend is targeted.			Yearly	
Amount of Financing Provided for Renewable Energy	Million TL	2024	Qualitative	An upward trend is targeted.			Yearly	
2024 Kick-off Based Loan Type Distribution and 2030 DAC Target Score	Percentage (%)	2024	Quantitative	DAC 1: %50, DAC 0: %0, DAC 2: %1–3	-	-	Yearly	

Targets

TKYB's climate targets are designed to support both the mitigation of climate change impacts and the transition to a low-carbon economy. While the targets aim to achieve direct emissions reductions for Scope 1 and Scope 2 emissions, they also seek to shift away from carbon-intensive investments and steer the portfolio towards low-carbon sectors for Scope 3 emissions. This approach aligns with the Bank's climate strategy and contributes to sustainable development.

The defined targets cover all Bank operations, including direct emissions from activities under Scope 1 and 2, as well as indirect emissions from financed investments under Scope 3. In this way, the targets enable TKYB to address both its direct and indirect climate impacts in a holistic manner.

The targets are set on an absolute basis, and calculation and monitoring processes are aligned with the TS EN ISO 14064-1:2018 standard and the GHG Protocol. For Scope 3 emissions, a PCAF (Partnership for Carbon Accounting Financials) compliant calculation methodology has been developed and implemented. These standards and methodologies were selected to ensure international validity and alignment with TSRS requirements.

No changes were made to the targets or calculation methodology in the 2024 reporting period. The Scope 1 and Scope 2 targets were developed in alignment with the Science Based Targets initiative (SBTi) and submitted to the initiative for validation. A sector-specific approach tailored to the financial sector was used in setting these targets. Both targets are based on net/absolute emission reductions, and carbon credits were not used as a component in the target achievement roadmap.

The greenhouse gas emissions inventory for TKYB's operations between January 1, 2024 and December 31, 2024 (inclusive) has been calculated in metric tons of CO_2 equivalent and currently only includes CO_2 under the scope of the target.

The accuracy and reliability of the targets are ensured through internal verification processes, with calculations aligned to TS EN ISO 14064-1:2018 and the GHG Protocol. In addition, the defined targets and applied calculation methodology are reviewed annually by the Sustainability Committee. This ensures that the targets remain up-to-date and consistent, while also enabling the identification of continuous improvement opportunities.

Plan to Achieve Climate Goals

In line with its 2050 net-zero commitment, TKYB has taken the following steps:

- Established a carbon measurement system in accordance with ISO 14064 to monitor greenhouse gas emissions,
- Set and committed to reduction targets aligned with the Science Based Targets initiative (SBTi),
- Initiated annual CO_2e reduction calculations for financed projects,
- Procured electricity from renewable sources through I-REC and similar certification schemes,
- Aimed to manage Scope 1 and 2 emissions directly, and Scope 3 emissions through indirect abatement plans.

In addition, the Bank aims to increase the share of its sustainable portfolio to 50% by 2025 and is expanding its green finance capacity to achieve this target.

TKYB also secures concessional funding from international development finance institutions for climate-related activities.

Notable agreements include:

- A climate loan of TRY 3.67 billion and a grant of TRY 370 million signed with KfW,
- A "Green 4" loan of TRY 7.1 billion from JBIC,
- A TRY 3.5 billion facility from IsDB for food security investments,
- A TRY 1.8 billion loan agreement with the OPEC Fund to support the investment and working capital needs of businesses—especially those operating in agriculture and food production—in regions affected by the earthquake,
- Two loan agreements with the World Bank totaling TRY 7.34 billion and TRY 7.06 billion to support industrial decarbonization efforts in Türkiye,
- A World Bank facility providing TRY 11.01 billion in loans, TRY 529.3 million in additional credit, and TRY 52.9 million in grants for the financing of battery energy storage systems.*

These funds are being utilized to support renewable energy, energy efficiency, and high-impact social projects. Significant progress has been made in climate action throughout 2024. The Bank's financed renewable energy capacity increased by 4.6% year-on-year, and these projects contributed to the annual reduction of approximately 4.2 million tons of CO_2e emissions. Furthermore, 100% of the Bank's annual electricity consumption has been documented as sourced from renewables through I-REC certificates. The share of SDG-aligned lending reached 96%.

These developments demonstrate TKYB's concrete commitment to supporting sustainable development through measurable outcomes.

The Turkish Lira equivalents of the international grants, funds, and loan agreements included in this report have been calculated based on the USD/TRY and EUR/TRY exchange rates published by the Central Bank of the Republic of Türkiye (CBRT) as of December 31, 2024.

Assets Vulnerable to Climate Risks

To identify climate risk-exposed assets within its portfolio, TKYB conducts integrated assessments covering both physical and transition risks.

High-Risk Client Profiles: As of the reporting date, December 31, 2024, the total outstanding loan balance, including non-performing loans, amounted to TRY 94,812,834,679.30. The transition risk-based analysis covered clients with a total exposure of TRY 87,660,333,728.98. Financing provided to these clients represents 93% of the total loan portfolio.

Assets Compatible with Climate Opportunities

TKYB reports its investments and capital allocations aimed at managing climate risks and opportunities through a separate monitoring system. In this context:

Resources allocated to Green and Thematic Loans in 2024 were allocated to projects focused on combating climate change. Detailed explanations on this topic are provided under the heading "Funding Sources Planned for Implementing the Climate Strategy and Their Impacts."

Assets Compatible with Climate Opportunities

TKYB monitors investments considered as climate-related opportunities in the following groups:

Renewable Energy and Energy Efficiency Financing: As of the end of 2024, the climate and environment-related SDG-related loan portfolio represented 61% of the total portfolio.

The total installed capacity of the investments reached 3,691.4 MWh.

Monitoring and Reporting

The established metrics and targets are reviewed annually under the coordination of the Sustainability Committee and the Risk Management Unit and integrated into performance reports.

They are also reported to the Board of Directors at regular intervals, providing direct input into strategic decision-making processes. Monitoring and evaluation processes are conducted transparently, in line with TSRS requirements and international standards.

TKYB does not apply an internal carbon price in its decision-making processes.

EY
Shape the future with confidence

Güney Bağımsız Denetim ve SMMM A.Ş.
Maslak Mah. Eski Büyükdere Cad.
Orjin Maslak İş Merkezi No: 27
Daire: 57 34485 Sarıyer
İstanbul - Türkiye

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No : 479920
Mersis No: 0-4350-3032-6000017

(Convenience Translation of 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 Kalkinma ve Yatirim Bankasi Anonim Şirketi,

We have been assigned to perform limited assurance engagement on the information ("Sustainability Information") presented in accordance with the Turkiye Sustainability Reporting Standards 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and Turkiye Sustainability Reporting Standards 2 "Climate-Related Disclosures" on "Türkiye Kalkinma ve Yatirim Bankasi Anonim Şirketi TSRS Report" section of the Integrated Report of Türkiye Kalkinma ve Yatirim Bankasi Anonim Şirketi and its subsidiaries (collectively referred to as the "Group") for the year ended December 31, 2024.

Our assurance engagement does not include the information related to prior periods and other information included 2024 Integrated Report and other information (including any images, audio files, website links or embedded videos) associated with Sustainability Information and 2024 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 Group's Sustainability that Information for the year ending December 31, 2024, has not been prepared in accordance with the Turkiye Sustainability Reporting Standards ("TSRS"), as published by the Public Oversight Accounting and Auditing Standards Authority of Turkiye ("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 prior periods and any other information associated with the Sustainability Information (including any images, audio files, website links or embedded videos).

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.

Shape the future with confidence

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

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 Turkiye 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.

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.

Shape the future with confidence

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

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.

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

Aykut Üsenti, SMMM
Partner

24 July 2025
İstanbul, Türkiye

To learn more about the report and to submit your comments and suggestions:

Türkiye Kalkınma ve Yatırım Bankası A.Ş.

Address: İnkılap Mahallesi, Dr. Adnan Büyükdeniz Cd. No:10 34768 Ümraniye/İstanbul

Phone: +90 (216) 636 87 00

E-Mail: haberlesme@kalkinma.com.tr

Enexion Türkiye
Raporlama Danışmanlığı & Tasarım

Address: Gökkuşağı Sokak No: 29
Konaklar Mah.
4. Levent 34330 İstanbul
Phone: +90 212 280 0705
E-Mail: bilgi@enexion.de
Website: www.enexion.com.tr

Enexion Germany
Enexion GmbH

Adres: Am Kronberger Hang 2 a
65824
Schwalbach am Taunus
Frankfurt Germany
Telefon: +49 (0) 61 73 93 59 0
Faks: +49 (0) 61 73 93 59 55
Website: www.enexion.de