

DEVELOPMENT AND INVESTMENT BANK OF TÜRKİYE

2023 INTEGRATED REPORT



**DEVELOPMENT
INVESTMENT**
BANK OF TÜRKİYE

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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
CEB: Council of Europe Development Bank
APEX: Wholesale Banking
R&D: Research and Development
BRSA: Banking Regulation and Supervision Agency
BIST: Borsa Istanbul
UN: United Nations
IS: Information Systems
BSTDB: Black Sea Trade and Development Bank
IT: Information Technologies
CDB: China Development Bank
CDP: Carbon Disclosure Project
EIA: Environmental Impact Assessment
COP: Conference of the Parties
UNFCC: United Nations Framework Convention on Climate Change
CRM: Customer Relationship Management
ESMS: Environmental and Social Management System
SPO: State Planning Organization
EÇBS: Integrated Environmental Information System

EIB: European Investment Bank
EIF: European Investment Fund
ERTA: Integrated Reporting Türkiye Network
ERP: Enterprise Resource Planning
EYDK: Impact Investment Advisory Board
FEF: Non-Financed Activities
FinTech: Financial Technology
GRI: Global Reporting Initiative
VCIF: Venture Capital Investment Fund
GDP: Gross Domestic Product
IBRD: International Bank for Reconstruction and Development
MoTF: The Ministry of Treasury and Finance of Türkiye
ICBC: Industrial and Commercial Bank of China
ICMA: International Capital Market Association
IFC: International Finance Corporation IFRS: International Financial Reporting Standards
ILO: International Labour Organization
IMF: International Monetary Fund
IsDB: Islamic Development Bank
OIC: Organization of Islamic Cooperation
COMCEC: The Standing Committee for Economic and Commercial Cooperation
ICAAP: Internal Capital Adequacy Assessment Process
OHS: Occupational Health and Safety
JBIC: Japan Bank for International Cooperation

GPP: Geothermal Power Plants
KfW: German Development Bank
CGF: Credit Guarantee Fund
KGSPYŞ: Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş.
SME: Small and Medium Enterprises
KOSGEB: Small and Medium Enterprises Development Organization of Türkiye
SLF: Special Loan Fund
KPIs: Key Performance Indicator
PDPL: Personal Data Protection Law
DIB: Development and Investment Banks
LMA: Loan Market Association
MKK: Central Registry Agency
MFKS: Central Invoice Recording System
ODM: Emergency Center
METU: Middle East Technical University
OECD: Organization for Economic Co-operation and Development
PRB: Principles of Responsible Banking
POC: Proof of Concept
RSM: Risk Sharing Mechanism
SDG: Sustainable Development Goals
SLA: Service Level Agreement
CMB: Capital Markets Board of Türkiye
SPO: Second Party Opinion
SPV: Special Purpose Vehicle

NGO: Non-Governmental Organization
T.R.: Republic of Türkiye
TL: Turkish Lira
TRY: Turkish Lira
TBB: The Banks Association of Türkiye
TII: Turkish Investment Initiative
TIF: Türkiye Innovation Fund
TDF: Türkiye Development Fund
TKYB: The Development and Investment Bank of Türkiye
TSE: Turkish Standards Institution
TCMA: Turkish Capital Markets Association
TFRS9: Türkiye Finansal Raporlama Standartları
SDIF: Savings Deposit Insurance Fund
TAKSAN: Takım Tezgahları San. ve Tic. A.Ş.
TEMSAN: Türkiye Elektromekanik Sanayi A.Ş.
TESTAŞ: Türkiye Elektromekanik Sanayi A.Ş.
TÜMOSAN: Türk Motor Sanayi ve Ticaret Anonim Şirketi
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

01 ABOUT THE REPORT

About The Report

The 2023 Integrated Report of the Development and Investment Bank of Türkiye A.Ş. marks the fourth edition of the Bank's integrated report, which is published regularly each year.

Covering the period from January 1, 2023, to December 31, 2023, this report offers a detailed analysis of the Bank's sustainability initiatives, corporate strategies, management philosophy, and performance, while comprehensively assessing the impact of these elements on sustainable development. The data presented in the report is solely provided by the Development and Investment Bank of Türkiye A.Ş. However, although the integrated report pertains exclusively to the Development and Investment Bank of Türkiye, the financial statements of TKYB include the balance sheets of the following companies:

- 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 (Sub-Fund)
- Tasfiye Halinde Kalkınma Yatırım Menkul Değerler A.Ş.¹
- Tasfiye Halinde Arıcak Turizm ve Ticaret A.Ş.²
- MAKSAN Malatya Makina Sanayi A.Ş.
- TAKASBANK İstanbul Takas ve Saklama Bankası A.Ş.

¹T.H. Kalkınma Yatırım Menkul Değerler A.Ş., our subsidiary in liquidation, was struck off from the trade registry on 05.04.2024, and our Bank's subsidiary relationship with T.H. Kalkınma Yatırım Menkul Değerler A.Ş. was terminated as of the aforementioned date.


²Our subsidiary is in liquidation due to bankruptcy.

The 2023 Integrated Report was prepared in accordance with Global Reporting Initiative (GRI) Standards and is based on the International Integrated Reporting Framework, supported by the Value Reporting Foundation. Additionally, this report serves as a Progress Report for the United Nations Global Compact, to which the Bank is a signatory. The Development and Investment Bank of Türkiye also complies with the requirements of the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking, of which the Bank became a founding signatory in 2019.

The Development and Investment Bank of Türkiye (TKYB) aligns its financial reporting with the calendar year (January 1, 2023 - December 31, 2023) while setting different timeframes for its integrated reporting cycle. This strategic choice enhances the effective collection and analysis of sustainability data. Sustainability performance is generally evaluated from a long-term perspective, with sectoral research and national and global sustainability initiatives considered during the report's preparation. This approach aims to promote transparency in both financial and sustainability reporting.

Our Bank makes the necessary adjustments in its financial statements to accurately reflect the contributions of minority shareholders. These adjustments are designed to ensure that the fair shares of shareholders outside the Bank's control are duly considered. Accordingly, the financial statements accurately reflect the interests of all stakeholders of the Bank.





For external audit processes during the reporting period, the Bank collaborated with EY Audit Firm. There is no conflict of interest or relationship that could compromise the independence of the assurance process. The Bank's external assurance processes are managed in terms of specific policies and practices. External audit processes are conducted in collaboration with independent and competent audit firms to ensure the accuracy and reliability of the financial reports, which are regularly audited.

Additionally, efforts are underway to continuously strengthen and improve internal control systems. The highest governing body and senior executives actively participate in the external assurance processes. TKYB's external audit process is carried out with the knowledge and involvement of the governing body and senior executives, and their support enhances the effectiveness of the audit.

About The Report

During the external assurance process, the Bank pays special attention to certain topics such as carbon emissions, water use, and social impacts. The GRI Standards and Portfolio Emissions Calculation Methodology are applied in this process, and the assurance standards are selected in accordance with specific assurance requirements.

The level of assurance obtained within the scope of the report is based on these standards. However, there are certain limitations to the external assurance process. The scope of limited assurance is confined to the review of selected information regarding environmental, social, and governance performance indicators.

The Development and Investment Bank of Türkiye's top priority is making the Integrated Report easily accessible to all stakeholders and receiving feedback on the report. In line with environmental and social responsibilities, the report is printed in limited quantities and is digitally accessible.

Please contact TKYBSurdurulebilirlik@kalkinma.com.tr about any questions or feedback you may have regarding our sustainability report.



Unless otherwise indicated, the terms “**Development Investment Bank,**” “**TKYB,**” “**Bank,**” and “**our Bank**” mentioned throughout the report refer to The Development and Investment Bank of Türkiye A.Ş.

The term “**Report**” throughout the document refers to the 2023 Integrated Report of The Development and Investment Bank of Türkiye A.Ş.

The “**checkmark**” symbol used in the report indicates that the relevant data has been subjected to limited assurance by an Independent Audit Firm.

Message from the Chairman of the Board of Directors

“

Our sustainability approach extends beyond the environmental and social impacts of our operations; it encompasses every stage of our value chain. In this regard, we regularly review our sustainability strategy to ensure that we manage both internal and external processes in line with ethical standards.

”



Dear Stakeholders,

The year 2023 marked a historic milestone as we celebrated the 100th anniversary of our Republic. It was also a pivotal year for the Development and Investment Bank of Türkiye, during which we redefined our strategic goals and reinforced our focus on sustainable growth. Over the past year, we took significant steps to further our commitments to our stakeholders, maintaining our dedication to supporting innovative projects that drive our country's economic growth.

The global economy, however, lost momentum in 2023 due to the restrictive monetary policies adopted by central banks to combat inflation, along with growth concerns, restrictive financial conditions, and geopolitical uncertainties. Despite the global slowdown and heightened geopolitical risks, Türkiye demonstrated resilience and achieved a strong growth rate of 5.1% in 2023.

Our Bank plays an active role in every area critical to Türkiye's sustainable development. We saw its total assets grow 47.2% by the end of 2023 compared to the previous year, while operating income surged by 119%. Loans accounted for 62.4% of our total assets and increased by 39.5% year-over-year, reaching 84.2 billion TL by the end of 2023. Additionally, our year-end profit amounted to 4 billion TL with a capital adequacy ratio of 16.9%.

Since our establishment, we have embraced sustainability as a core principle, intensifying our investments in renewable energy and eco-friendly projects to support Türkiye's sustainability goals and strengthen our commitment to the United Nations Sustainable Development Goals. We remain resolute in fulfilling our responsibilities to foster an impact investment ecosystem and are committed to achieving net-zero emissions by 2053.

We continued to support the entrepreneurship ecosystem within the Türkiye Development Fund, which we founded and creates solid foundations for the future of our country with our strategic investments. In 2023, the amount of direct investment in the entrepreneurship ecosystem increased by 167% compared to 2022, reaching 300 million TL. With the Türkiye Development Fund, we invested in next-generation

startups and companies with high growth potential in the fields of cybersecurity, artificial intelligence, and digital marketing.

Prioritizing its environmental responsibilities, our Bank continues its financing activities for sustainable development goals. We aim to increase Türkiye's energy efficiency and reduce its carbon footprint in line with the 2053 net zero targets by realizing financing agreements for renewable energy projects. With our investments in this area, we aim to contribute to the spread of environmentally friendly technologies and, at the same time, increase social welfare.

Throughout 2023, we implemented many social responsibility projects with the aim to add value to society. With our projects in areas such as education, health, environment, and social development, we are taking decisive steps towards our goal of increasing social welfare. We contribute to the future of our country with these projects that will create lasting value in the short and long term.

Our sustainability approach extends beyond the environmental and social impacts of our operations; it encompasses every stage of our value chain. In this regard, we regularly review our sustainability strategy to ensure that we manage both internal and external processes in line with ethical standards.

As a bank, we are committed to maintaining our economic achievements while upholding our environmental and social responsibilities. Guided by our vision to create a sustainable world for future generations, we are dedicated to offering our stakeholders innovative and sustainable solutions. I extend my sincere gratitude, on behalf of myself and our Board of Directors, to our employees and all stakeholders who have contributed to this success.

Dr. Raci KAYA
Chairman of the Board of Directors

Message from the CEO

“

Our Bank continually advances its vision of supporting development and innovative projects. We are committed to increasing our support for sectors critical to Türkiye’s sustainable growth and development goals.

”



Dear Stakeholders,

Despite global and regional challenges, the Turkish economy and banking sector continued to demonstrate resilience in 2023, successfully managing risks on an international scale.

As the Development and Investment Bank of Türkiye, we remained focused on supporting our country’s sustainable development goals through the projects and initiatives we delivered in 2023, building on our efforts in prior years. Backed by our fifty-year legacy, we were able to meet the financing needs of diverse sectors, both domestically and internationally, throughout this reporting year.

In 2023, we achieved significant growth in both assets and loan volume to drive strategic investments aimed at strengthening the economy. By year-end, our assets had grown 47.2% over the previous year, reaching 134.8 billion TL, while our loan portfolio expanded by 39.5% to 84.2 billion TL. Our net profit at the end of the year was approximately 4 billion TL.

Over the past year, in line with the core principles of development banking, we accelerated financing for innovative, sustainability-focused projects and environmentally friendly investments. By supporting sectors of strategic importance—such as renewable energy, energy efficiency, and technology-driven initiatives— we made meaningful strides toward Türkiye’s net-zero emissions targets.

In 2023, we continued to collaborate with international financial institutions, bringing more than a total of 5.6 billion USD in financing to Türkiye to date. Our efforts to expand partnerships in corporate banking, project finance, investment banking, venture capital, and private equity activities continued at both national and international levels. Notable agreements last year included a 100 million EUR Climate Finance loan and a 10 million EUR grant with Germany’s Development Bank (KfW), a financing agreement with the Black Sea Trade and Development Bank to support SMEs in earthquake-affected areas, a 200 million USD “Green 4” loan with the Japan Bank for International Cooperation (JBIC) for renewable energy and energy efficiency, and a 100 million USD financing agreement with the Islamic Development Bank

to support food security investments.

Our extensive expertise and experience in development banking have positioned us as a key provider of long-term financing for Türkiye’s strategic sectors. Through our development banking initiatives, we continue to offer long-term financing options to critical sectors while expanding our impact by extending credit facilities to SMEs and exporting firms. In this context, we play a vital role in advancing the country’s development goals.

In investment banking, we continue to provide professional guidance to public and private sector clients based on their specific needs. Our efforts to connect investors with low-cost funding from both domestic and international sources are ongoing. Throughout this process, we not only offer financing but also deliver advisory services across multiple areas to support our clients’ growth.

Through our venture capital and private equity activities, we support sectors critical to Türkiye’s sustainable growth and play a key role in developing the startup ecosystem by investing in next-generation ventures. These activities, spanning both conventional and alternative financing, underscore our commitment to driving impact across all areas.

In addition to sector-based investments, we have developed new financing mechanisms to support innovation and high-tech ventures. Through the Türkiye Development Fund, established with a mission to promote sustainable growth, we have invested in innovative startups and companies with high growth potential. Under this fund, we completed 14 direct investments in 2023, with 13 in new projects and one in an existing project, bringing the fund’s total managed assets to 2.2 billion TL as of year-end. Additionally, in collaboration with the Ministry of Treasury and Finance, we established the TKYB Fund of Funds to invest in other venture capital

Message from the CEO

and private equity funds in the ecosystem. With 35 million USD from the Ministry and 15 million USD from our Bank as anchor investors, this fund aims to enhance the effectiveness of venture capital funds, strengthen Türkiye's entrepreneurship ecosystem, support high-value, high-growth ventures, and boost national technological capacity.

We have continued to support renewable energy and energy efficiency projects to contribute to Türkiye's energy independence. As of year-end 2023, we financed approximately 6% of Türkiye's renewable energy capacity, resulting in an estimated reduction of 4.6 million metric tons of CO₂ emissions. By the end of the year, about 93% of our portfolio consisted of sustainability-linked loans, and the total value of loans linked to the United Nations Sustainable Development Goals exceeded 2.8 billion USD. Collectively, these efforts support 15 of the 17 Sustainable Development Goals, either directly or indirectly.

As a result of our commitment to sustainable development, we have secured 37.4 billion TL in funding for renewable energy and energy efficiency projects. By the end of 2023, financing for these projects accounted for 58% of our portfolio, supporting projects with a combined installed capacity of 3,412 MWe.

Our Bank remains dedicated to achieving our sustainability and environmental responsibility goals. We prioritize reducing energy and resource use and making our supply chains more sustainable and ethically aligned.

In recognition of our contributions, we received prestigious awards both domestically and internationally in 2023. International Finance honored us with "Best Green Project Financing Bank – Türkiye 2023" and

"Best Sukuk Issuer - Türkiye 2023" for our issuance of Türkiye's first social sukuk. We received the "Outstanding Leadership in Sustainable Finance by a Multilateral Institution in Central & Eastern Europe" award at the 2023 Sustainable Finance Awards, and the "Green Technological Transformation" award at the 2023 Global Sustainable Finance Awards. At the 8th TCMA Golden Bull Awards hosted by the Turkish Capital Markets Association, we received the "Largest Share Issuance" award for Equity Issuance, and the "Best Development Bank Focused on Environmental, Social, and Governance" award at the IJGlobal ESG Awards. Our 2022 Annual Report was named "Gold Winner Worldwide" in the Banks category and received a "Regional Special Achievement (Silver)" award for Best Report Cover by the League of American Communications Professionals (LACP) in San Diego.

We also became the first public bank in Türkiye to earn the Great Place to Work Certification and were named the "Best Employer in Türkiye." Additionally, we were ranked first in the Best Workplaces for Innovation By All™ in the 250-499 employees category. In a 2023 review by Sustainalytics, a global leader in ESG assessments, our Bank was named "ESG Industry Top Rated" and "ESG Regional Top Rated" for our Environmental, Social, and Governance practices. We also set a milestone in the Turkish finance sector by launching a Green Human Resources Policy.

Our Bank continually advances its vision of supporting development and innovative projects. We are committed to increasing our support for sectors critical to Türkiye's sustainable growth and development goals.

I would like to extend my gratitude to the Ministry of Treasury and Finance, our Board of Directors, and all

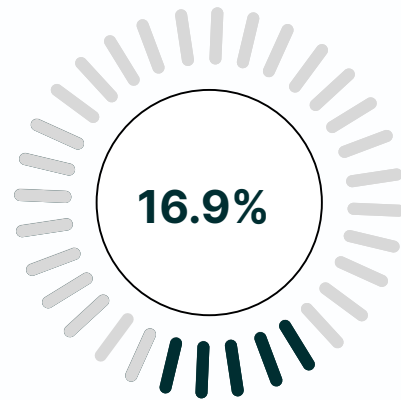
stakeholders for their trust and support, which have been essential in establishing our Bank as Türkiye's leading development and investment bank. We will continue to strengthen our leadership in sustainable development and work tirelessly toward a more sustainable world.

İbrahim H. ÖZTOP
CEO and Board Member

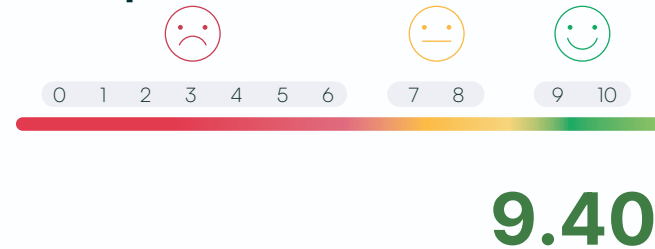
OVERVIEW OF THE DEVELOPMENT AND INVESTMENT BANK OF TÜRKİYE

The Development and Investment Bank of Türkiye at a Glance

Capital Adequacy Ratio



Capital Markets Board (CMB) Corporate Governance Compliance Score



ISO Certifications



- ISO 9001 Quality Management System



- ISO 10002 Customer Satisfaction Management System



- ISO 14001 Environmental Management System



- ISO 27001 Information Security Management System



- ISO 45001 Occupational Health and Safety Management System

Firsts and Milestones

- The first and only organization in Türkiye to sign the "Impact Management Principles" led by the International Finance Corporation (IFC)
- The first financial institution in Türkiye to publish a **Green Human Resources Policy**
- The first Turkish bank to become an affiliated member of the **EIF-NPI (European Investment Fund - National Promotional Institutions)**
- The first public bank to receive the **Great Place to Work** certification
- The first bank in Türkiye to **issue asset-backed securities through the Asset Finance Fund**
- **Served as an intermediary institution** in Türkiye's **first bond issuance for the transition to a low-carbon economy**
- The first bank in Türkiye to **issue social sukuk and amortization sukuk**
- The first state-owned bank to obtain **TSE EN ISO 14001 Environmental Management** certification
- The first bank among public and private financial institutions to be certified as a "**Climate-Friendly Institution**" by the **Turkish Standards Institution (TSE)**
- The first bank to provide businesses with **both financial and technical support**
- The first bank to implement **incentive loans**
- The first bank to support clusters under a **designated program**
- The first and only organization to provide relevant sectors with **financial and technical support** to unlock and develop tourism's potential
- The first bank to issue an **initial public offering** in the capital markets
- The first bank to **initiate a financial support program for incomplete facilities**
- The first financial institution to **direct resources** from the Islamic Development Bank to **SMEs**
- The first and only bank to support geothermal drilling projects through the World Bank's grant program, the **Risk Sharing Framework (RSF)**
- The first bank in Türkiye to issue **asset-backed securities** in exchange for the **mortgage-backed securities** of the sector's leading banks through the **Asset Finance Fund**

The Development and Investment Bank of Türkiye at a Glance

Economic Value Generated



Revenues increased from **3,351,648 TRY** in 2022 to **7,304,770 TRY** in 2023, making a **118%** rise.

Economic Value Distributed



Economic value distributed rose from **1,018,939 TRY** in 2022 to **1,663,767 TRY** in 2023, a **63%** increase.

Managed Fund Size

Türkiye Development Fund manages **7** funds, totaling **2.2 billion TRY**.

- 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 Venture Capital Investment Fund: **340 million TRY**
- Development METU Teknokent Venture Capital Investment Fund: **10 million USD**
- TÜBİTAK BiGG Fund: **8 million USD**

Number of Employees

In 2023, the total number of employees increased to **331**. ✓



Investments in the Entrepreneurship Ecosystem

The Türkiye Development Fund's direct investments in 2023 reached **300 million TRY**, a **167%** increase compared to 2022.

Ratio of Women Employees

In 2022, the ratio of women employees increased by **2%** from **39%** to **41%**. ✓



Sustainability-Themed Loan Portfolio



The share of the portfolio grew from **79%** in 2022 to **93%** in 2023. ✓

Training Programs

- Total hours of training throughout 2023: **16,892** ✓
- Number of employees benefiting from training programs: **421**
- Average hours of training per person: **53.3**



The Development and Investment Bank of Türkiye at a Glance

Occupational Health and Safety Training



A total of **936** hours in 2023

Youth Employment



24% of employees are under the age of 30

Anti-Bribery and Anti-Corruption



In 2023, **85** executives and **301** employees participated in anti-bribery and anti-corruption training. The risk of bribery and corruption was categorized as a **"low risk"** issue.

Green Bond Issuances and Sustainable Funding



In 2023, we issued **green bonds** to fund environmental sustainability projects.

Social Contributions and Social Responsibility

- A Charity Bazaar was organized, and **the proceeds were donated to children in the 2023 Kahramanmaraş earthquake region** via the Darüşşafaka Society.
- A total of **1,505 saplings** were donated through the Income Generating Sapling Project.
- KAÇUV Hope Café hosted various events to **support children with cancer and their families**.
- Twenty employees participated in the Istanbul Marathon and raised **donations for the Darüşşafaka Society**.
- Within the scope of the **"Breath for the Future, Breath for the Republic"** campaign, we planted **saplings** for the Forests of the Republic's 100th Year.

Employee Satisfaction

In 2023, we received the **Great Place to Work Certificate for the second consecutive year**. In 2023, an Internal Customer Satisfaction survey was conducted with the participation of the Bank's employees. The Internal Customer Satisfaction Index was **82**, exceeding the banking benchmark.



Financed Renewable Energy Capacity



By financing **6%** of Türkiye's renewable energy capacity, we helped reduce **4.6 million metric tons of CO₂** emissions. ✓

Sustainable Project Finance



In 2023, we provided a total of **2.6 billion USD** in loans linked to sustainable development goals, contributing to **15** of the **17** Sustainable Development Goals. ✓

Environmental Sustainability Goals



We contributed to reducing fossil fuel consumption and greenhouse gas emissions by financing energy generation from waste heat, wastewater treatment technologies, and modernization investments.

The Development and Investment Bank of Türkiye at a Glance

Türkiye Kalkınma ve Yatırım Bankası A.Ş. is a joint stock company subject to the provisions of private law with 99.08% of its capital owned by the Ministry of Treasury and Finance and 0.92% owned by other entities.

Founded in 1975 as the State Industry and Laborer Investment Bank, the Bank changed its name to Türkiye Kalkınma Bankası A.Ş. in 1988 and was renamed Türkiye Kalkınma ve Yatırım Bankası A.Ş. following a restructuring process in 2018, when it moved its headquarters from Ankara to Istanbul.

Our bank operates in three core areas: development banking, investment banking, and the Türkiye Development Fund.

We provide financing to businesses in sectors of strategic importance, such as industry, energy, tourism, education, healthcare, and infrastructure. By offering support for new investments, expansions, modernization projects, and sustainable financing in areas like manufacturing, energy production, tourism, education, healthcare, and sustainable infrastructure, the Bank plays a critical role in helping our country achieve its development goals, backed by strong public support and assurance.



Current Share of Capital (%)



Through the Türkiye Development Fund (TDF), the Development and Investment Bank of Türkiye (TKYB) makes capital investments in innovative ventures and companies with high growth potential, contributing to the development of the entrepreneurial ecosystem and investing in next-generation enterprises in strategic sectors. With six sub-funds under its management, the Türkiye Development Fund provides resources to technology startups and companies operating in priority development areas.

The Development and Investment Bank of Türkiye at a Glance

Leveraging its extensive experience, solid foundations, and stable structure, the Bank offers a wide range of services—credit, capital support, partnerships, and consultancy—to entities ranging from startups to industrial companies and small and medium-sized enterprises (SMEs). These services make significant contributions to our country's economic development and growth. By offering innovative products and services through a team well-versed in international banking standards, the Bank continues its efforts toward Türkiye's structural transformation and the broad-based distribution of capital.

Since 1975, TKYB has focused on financing sustainable development in line with its 2023 goals and the United Nations Sustainable Development Goals.

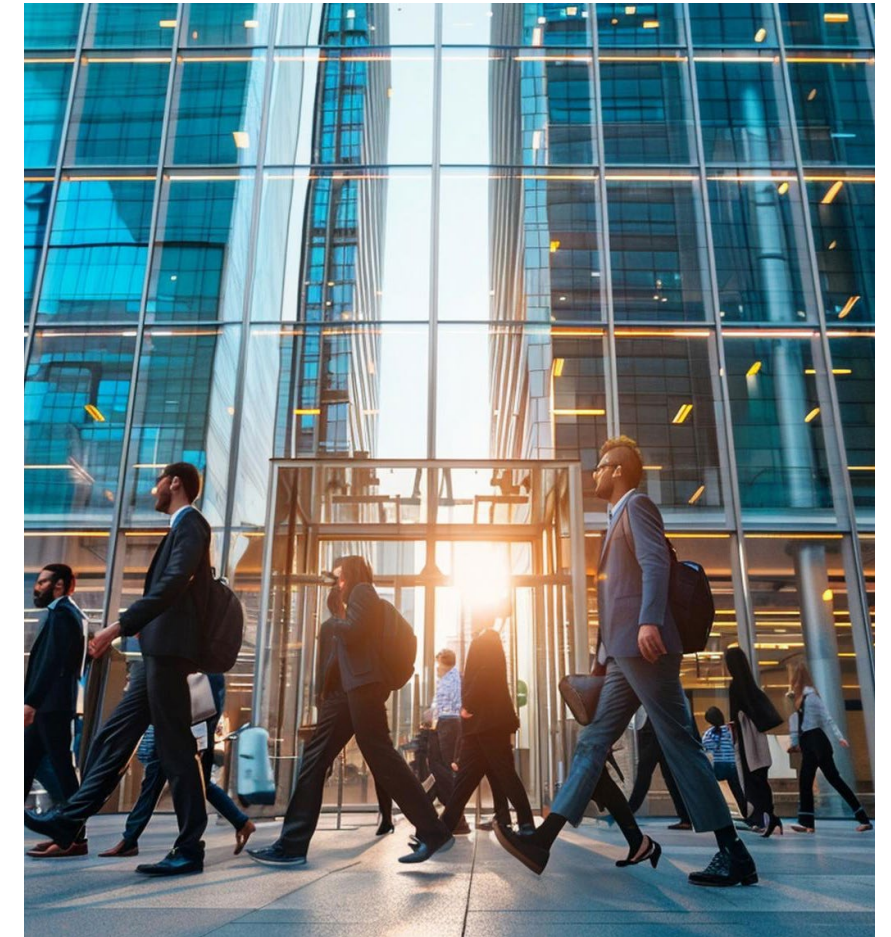
Built on a solid foundation with a stable structure, the Bank holds a key mission in supporting the nation's development objectives. By investing in next-generation enterprises in strategic sectors, TKYB continues to support Türkiye's economic growth, contribute to the broad distribution of capital, and finance sustainable development projects.



In line with its founding mission, the Bank has participated in the establishment of numerous labor companies, providing both financial and consultancy support, and has also become a founding partner in several large industrial enterprises by investing in their capital. In 1989, the Bank incorporated Turizm Bankası A.Ş., along with all its assets and liabilities, enabling it to extend financing to tourism investments in addition to those in the industrial sector. Through the provision of long-term resources, the Bank continues to support competitive and efficient production, contributing to a stable and robust economy, as well as enhancing Türkiye's employment, income, and overall welfare.

In addition, project finance loans signed in 2023 are expected to contribute to the employment of an additional 4,596 employees. ✓

Reorganized as the Development and Investment Bank of Türkiye (TKYB) following a 2018 legislative amendment, the Bank strengthened its organizational structure by bringing in experienced professionals from the private sector. With a solid resource base and a highly skilled workforce, TKYB operates with the aim of adding value for the future.



Guided by the principles of honesty, integrity, innovation, and transparency, and aligned with development priorities, the Bank is committed to supporting the country's structural transformation, broadening the distribution of capital, and financing sustainable development.

Our Milestones and Achievements from Past to Present

Our Firsts

With 50 years of experience and expertise, the Development and Investment Bank of Türkiye has played a pioneering role in supporting the economy and has been at the forefront of many innovative initiatives throughout its corporate history.

- The first bank to provide businesses with both **financial and technical** support
- The first bank to **implement incentive loans**
- The first bank to **support clusters under a designated program**
- The first and only organization to provide relevant sectors with **financial and technical support** to unlock and develop tourism's potential
- The first bank to issue an **initial public offering** in the capital markets
- The first bank to initiate a **financial support program** for incomplete facilities
- The first bank among public and private financial institutions to be certified as a **"Climate-Friendly Institution"** by the Turkish Standards Institute (TSE)
- The first financial institution to direct resources from the Islamic Development Bank to **SMEs**
- The first state-owned bank to obtain **TSE EN ISO 14001 Environmental Management Systems**
- The first and only bank to support geothermal drilling projects through the World Bank's grant program, the **Risk Sharing Framework (RSF)**
- The first Turkish bank to become an affiliated member of the **EIF-NPI (European Investment Fund - National Promotional Institutions)**
- The first bank in Türkiye to issue **asset-backed securities** in exchange for the **mortgage-backed securities** of the sector's leading banks through the **Asset Finance Fund**
- The Bank that intermediated **Türkiye's first bond issuance for transition to a low carbon economy**
- The first bank in Türkiye to issue **social sukuk**
- The first bank in Türkiye to issue **amortization sukuk**
- First bank in Türkiye to sign the **Operating Principles for Impact Management**
- The first bank to publish a **Green Human Resources Policy**, a first in the Turkish Finance sector
- The first public bank to receive the **Great Place to Work** certification



Our Awards



May 3rd, 2023

Istanbul Carbon Summit – The Low Carbon Hero Award

At an event organized with the support of the Ministry of Environment, Urbanization, and Climate Change of the Republic of Türkiye and Istanbul Technical University, our bank was awarded for its success in carbon management. Through our renewable energy and resource efficiency projects, we have contributed to the low-carbon economy and solidified our leadership in the country's transition to a low-carbon economy.



May 9th, 2023

International Finance Awards 2023

The Bank was recognized with two prestigious awards: “Best Green Project Financing Bank – Türkiye 2023” and “Best Sukuk Issuer Capital Markets – Türkiye 2023,” for issuing Türkiye's first low-carbon economy transition bond and the first social sukuk. These awards reflect the Bank's international funding capabilities and success in innovative project financing.



May 10th, 2023

Great Place to Work, the Best Employer of Türkiye Award

Based on an evaluation by the Great Place to Work, our bank was named “the Best Employer of Türkiye” due to the safe and healthy work environment we provide for our employees. With 87% of our employees participating in the survey, the results underscore the importance we place on creating a positive workplace culture and prioritizing employee well-being.



July 4th, 2023

Global Finance Magazine Sustainable Finance Awards

TKYB was awarded “Best Multilateral Institution for Sustainable Finance” for its efforts in promoting sustainable development in Central & Eastern Europe. This award highlights the Bank's commitment to environmentally conscious projects and its leadership on the international stage.



July 10th, 2023

EOSD Global Sustainable Finance Awards 2023

At the awards hosted by the European Organization for Sustainable Development, our bank received an award in the “Green Technological Transformation” category for its contributions to combating climate change and its best practices in green transformation. Our innovative and environmentally friendly projects have reinforced our success at the international level.



August 28th, 2023

League of American Communications Professionals Vision Awards

The Bank received the “Gold” and “Regional Special Achievement (Silver)” awards for the visual and content quality of its 2022 annual report. Additionally, the report ranked 15th in the EMEA region and was recognized among the top 20 annual reports in Türkiye.



October 3rd, 2023

TCMA Golden Bull Awards

At the Golden Bull Awards organized by the Turkish Capital Markets Association, our bank was awarded the “Highest Issuance Award” in the “Equity Issuance Intermediation” category. This award recognizes the Bank's contribution to the development of capital markets.



October 20th, 2023

IJGlobal ESG Awards 2023

Thanks to our success in environmental, social, and governance (ESG) initiatives, our bank was awarded the “IJGlobal ESG Development Finance Institution Awards – Europe.” This award highlights our leadership in sustainable development finance and our support for the real sector's growth.

Our Vision, Mission, and Values

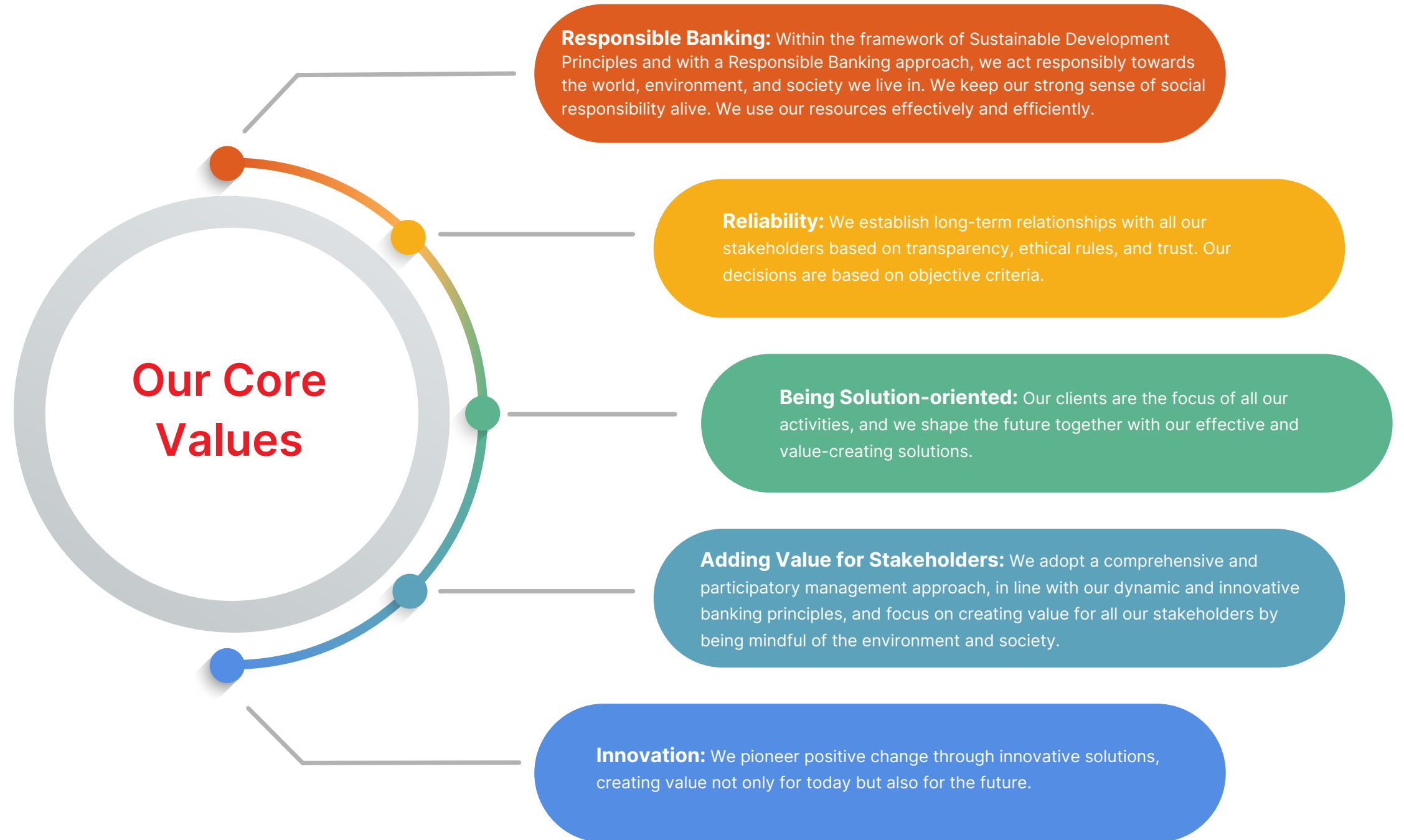
Our Vision

Our main goal is to add value for the future by always standing by investors, with the vision of being the leading bank in sustainable development.

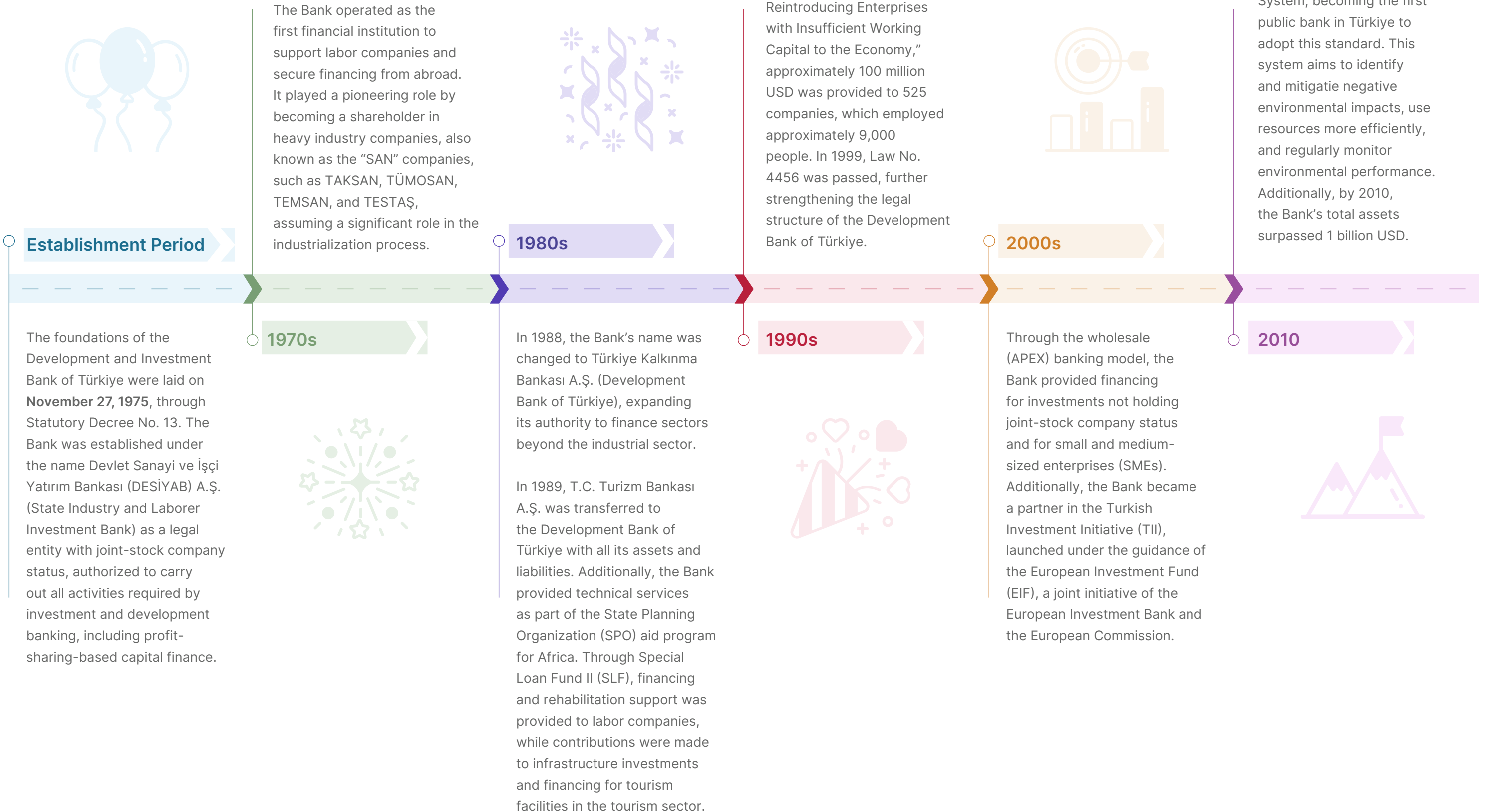
Our Mission

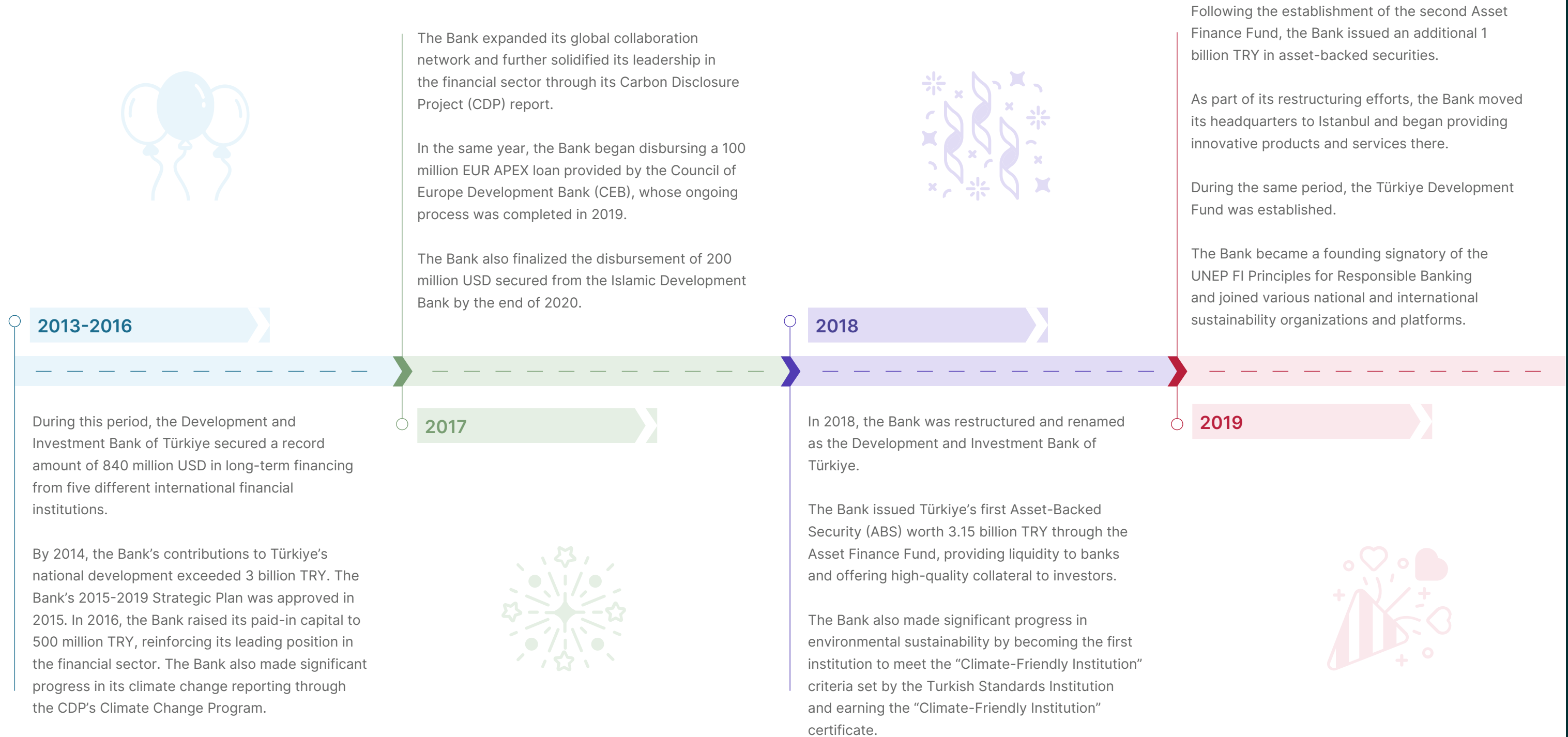
We support the structural transformation of our country by meeting the financing and advisory needs of investors in line with our nation's sustainable development priorities.

We add value to all our stakeholders with our dynamic, innovative, environmentally and socially responsive approach to banking. We aim to contribute to the distribution of capital to the grassroots and to shape the future together through our banking services.



Our History





2020

The Bank published its first Sustainability Report, covering activities from 2019, solidifying its commitment to sustainability.

On June 1, 2020, the Bank signed a 316 million EUR loan agreement and an 80 million EUR grant agreement with the World Bank as part of the Registered Employment Creation Project (combining APEX Lending and Direct Lending). This program aimed to enhance the capacity of TKYB, AFK, and beneficiary firms through technical support.

Additionally, a 250 million USD APEX loan agreement was signed with the World Bank on September 9, 2020, as part of the Emergency Enterprise Support Project.

On August 17, 2020, the Bank disbursed 30 million USD via APEX Lending under a 300 million USD loan agreement signed with the Asian Infrastructure Investment Bank (AIIB) to meet the liquidity needs of firms affected by the COVID-19 pandemic.

In January 2020, the Bank's Environmental and Social Policy was approved by the Board of Directors, followed by the implementation of Sustainability Principles and the enforcement of the Climate Change Mitigation and Adaptation Policy in June.

Under the umbrella of the Türkiye Development Fund, the Technology and Innovation Fund and the Regional Development Fund were established.

The Bank became a shareholder in Birleşik İpotek Finansmanı A.Ş. (Joint Mortgage Finance Company) and JCR Avrasya Derecelendirme A.Ş. (JCR Eurasia Rating), strengthening its presence in various areas of the financial sector. Additionally, the Bank established wholly-owned subsidiaries, Kalkınma Yatırım Varlık Kiralama A.Ş. (an asset leasing company) and Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. (KGSPYŞ – a venture capital portfolio management company), further expanding its activities in investment and portfolio management.

The Bank also provided consultancy services for the establishment and licensing of the Türkiye Menkul Kıymetleştirme Şirketi (Turkey Securitization Company), which is expected to play a significant role in securitization. Moreover, the Bank acted as the exclusive financial advisor for Tarkim Bitki Koruma A.Ş., facilitating the issuance of a 42 million TRY, Amortising Sukuk al-Wakala, thus further demonstrating its expertise in the area.

2021

The Development and Investment Bank of Türkiye (TKYB) provides financial advisory, capital markets advisory, and merger and acquisition advisory services for significant projects across various sectors. By offering these services, TKYB supports current projects and continues its efforts to meet the financing needs of future projects.

The Development and Investment Bank of Türkiye issued Türkiye's first social sukuk with a transaction value of 50 million TRY and also completed its first sustainable bond issuance.

TKYB became the first and only Turkish institution to sign the Operating Principles for Impact Management, developed under the leadership of the International Finance Corporation (IFC).

Palgaz Doğalgaz Dağıtım A.Ş. issued Türkiye's first transition bond worth 200 million TRY, aimed at facilitating the country's shift to a low-carbon economy. This transaction won the "Best Green Project Financing Bank" award at the International Finance Awards 2022.

The Bank established the Innovative and Advanced Technologies Venture Capital Investment Fund and the Development Participation Venture Capital Investment Fund, supported by the TKYB Capital Fund and Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş.

The management of the Regional Development Fund and the Technology and Innovation Fund was transferred to Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş.

TKYB achieved a B score in the CDP Climate Change Program, securing the highest score in the Turkish financial sector in 2021.

The Bank published its first Integrated Report in 2021.

2022

The Development and Investment Bank of Türkiye issued its first sustainable Eurobond worth 100 million EUR, financed by the French Development Agency (AFD) with an 11-year maturity. At least 75% of the proceeds are earmarked for financing green projects contributing to the fight against climate change in Türkiye, while the remaining portion will be directed towards social projects. As part of this issuance, the Bank will also benefit from AFD's technical support program aimed at increasing women's participation in the economy.

Based on employee evaluations, the Bank became the first public bank in Türkiye to receive the Great Place to Work certification.

By complying with the Capital Markets Board's Corporate Governance Principles, the Bank completed its first corporate governance rating, achieving a score of 9.32 out of 10. This score places the Bank in the top tier of the World Corporate Governance Index.

In Sustainalytics' Environmental, Social, and Governance (ESG) risk assessment, the Bank received a risk rating of 11.0, positioning itself among the leading institutions in Türkiye.

The Bank obtained certifications for the ISO 45001 Occupational Health and Safety Management System, ISO 9001 Quality Management System, and ISO 10002 Customer Satisfaction Management System. It also complied with the ISO/IEC 27001:2013 Information Security Management System standard and earned the certification.

In 2022, the Bank published Türkiye's first Impact Report, in line with the Operating Principles for Impact Management. The total size of the Technology and Innovation Fund, with KOSGEB as an investor committing 100 million TRY, was increased to 475 million TRY.

Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. established the Development METU Teknokent Venture Capital Investment Fund with 6 million USD.

The Bank facilitated Türkiye's first transition bond issuance and won the "Best Green Project Financing Bank" award at the International Finance Awards 2022.

That same year, the Bank carried out a total of 24 projects under the protocol signed with the COMCEC Coordination Office. Of these projects, 2 were canceled, 16 were completed, and 6 remained in the financial reporting and payment process. In 2022, 15,649,212.64 TRY was received from COMCEC, with 12,643,154.38 TRY transferred to the projects.

The Ministry of Industry and Technology of the Republic of Türkiye and KOSGEB participated as investors in the Regional Development Fund and the Technology Innovation Fund, forming strategic partnerships. By 2022, the size of the Technology and Innovation Fund had reached 475 million TRY due to additional commitments from KOSGEB.

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 announced its Sustainable Finance Framework, which complies with the ICMA Green Bond Principles, ICMA Social Bond Principles, LMA Green Loan Principles, and LMA Social Loan Principles, and obtained a Second Party Opinion (SPO).

2023

In 2023, the Development and Investment Bank of Türkiye signed several international financing agreements, including a 100 million EUR Climate Finance loan and a 10 million EUR grant agreement with the German Development Bank (KfW). It also signed a 200 million USD renewable energy and energy efficiency agreement with the Japan Bank for International Cooperation (JBIC), a 100 million USD financing agreement with the Islamic Development Bank for food security investments, a preliminary agreement for a 100 million USD financing agreement with the International Islamic Trade Finance Corporation (ITFC), and a 50 million EUR loan agreement with the Black Sea Trade and Development Bank (BSTDB) to finance SMEs in the earthquake-affected region.

In 2023, the Bank was included in the "Türkiye's Best Employers 2023 List" by Great Place to Work, earning the title of "Türkiye's Best Employer." Additionally, the Bank ranked first in the Great Place to Work – Best Workplaces for Innovation by All 2023 list in the 250-499 employees category. The Bank became the first financial institution in the Turkish finance sector to publish a green human resources policy. During the corporate governance rating revision of 2023, the Bank raised its score to 9.40, maintaining its position in the first group of the World Corporate Governance Index.

Following an evaluation by Sustainalytics, the Bank earned the titles of "ESG Industry Top Rated" and "ESG Regional Top Rated" in 2023, placing among the 50 banks globally awarded these prestigious titles. In Sustainalytics' Environmental, Social, and Governance (ESG) risk rating, the Bank received a low-risk score of 12.3, establishing itself as a leading institution in Türkiye.

The TÜBİTAK BiGG Fund was established under the Türkiye Development Fund. In 2023, the Bank increased its total assets by 47%, reaching 134.8 billion TRY.

Operations of the Development and Investment Bank of Türkiye

TKYB provides comprehensive financial solutions that contribute to the Turkish economy and accelerate sustainable development, thanks to its strong capital structure and strategic collaborations with international financial institutions.

Within the scope of investment banking services, our Bank offers financial consultancy, capital markets advisory, and mergers and acquisitions advisory for significant projects.

These efforts aim to contribute to Türkiye's economic growth objectives and to accelerate the country's sustainable development.

The core lines of business and strategic objectives of the Development and Investment Bank of Türkiye are grouped under three main categories: Development Banking, Investment Banking, and the Türkiye Development Fund.

Each of these categories offers various approaches and solutions to promote and accelerate Türkiye's economic growth and sustainable development. In addition, the Bank provides support to critical sectors of the economy, such as manufacturing, renewable energy, education, healthcare, and others, through project finance and corporate loans, thereby making a significant contribution to economic growth, social progress, and environmentally friendly development.

Development Banking

The Bank has set ambitious goals to design and offer financial products and services that support Türkiye's sustainable development goals. The primary targets of the Bank's Development Banking activities are outlined as follows:



Diversifying financial instruments for priority sectors identified in development strategies, which have a high dependence on imports, contribute to employment, and help reduce the trade deficit by increasing foreign exchange income



Offering loans tailored to the financial structure and cash flow of projects, as well as providing the most suitable financing opportunities through investment banking services to stimulate and promote investments and support Türkiye's sustainable growth



Supporting projects aligned with the Sustainable Development Goals (SDGs), such as transitioning to a low-carbon economy, combating climate change, fostering responsible production and consumption, eradicating poverty, and protecting our planet

The Development and Investment Bank of Türkiye develops financial products and services that aim to contribute to the country's sustainable development objectives.

The Bank's strategic objectives are determined based on annual financial projections, which are regularly reviewed, are aligned with the vision, mission, and values that form the foundation of the Bank's Strategic Plan, and are approved by the Board of Directors.

The 2023 budget and the financial projection for the 2023-2025 period reflect the Bank's strategic objectives in the field of Development Banking, including approaches designed to promote and accelerate economic growth and sustainable development.

Strategic Objectives for Development Banking:



1

Diversifying financing products for priority sectors **identified in development plans and programs** that have high import dependency, contribute to employment, and have the potential to generate foreign exchange income

2

Supporting Türkiye's sustainable growth by providing financing tailored to project feasibility and cash flow, along with investment banking products that offer the most suitable financial instruments

3

Supporting projects aimed at achieving the Sustainable Development Goals, including transitioning to a low-carbon economy, fighting climate change, fostering responsible production and consumption, eradicating poverty, and protecting the planet

These strategic objectives aim to enhance the Development and Investment Bank of Türkiye's ability to develop financing models that directly contribute to economic growth and sustainable development within the scope of Development Banking. The Bank provides customized loan structures and innovative financial instruments based on sectoral needs, supporting the financial sustainability of projects and facilitating the transition to a low-carbon economy by providing the necessary resources. Additionally, the Bank's sector-based financing strategies aim to reduce Türkiye's import dependency, increase foreign exchange earnings, and expand employment opportunities. These approaches ensure that Development Banking plays a critical role in achieving Türkiye's long-term economic goals.

Investment Banking

Within the framework of Investment Banking, the Development and Investment Bank of Türkiye provides services in capital markets advisory, mergers and acquisitions advisory, and financial advisory.

Under the Capital Markets Advisory, the Bank offers consultancy to companies on the issuance of equity, debt instruments, lease certificates, and other capital market instruments, facilitating the raising of additional funds for companies. These issuances not only contribute to the institutionalization and transparency of companies but also enhance their access to various financing alternatives in capital markets, increasing their visibility.

In terms of alternative debt-based financing methods, the Bank provides comprehensive consultancy services for bond and bill issuances, as well as the rapidly growing issuance of lease certificates (sukuk) in Türkiye's capital markets. These services cover every step of the process, from decision-making and coordination to regulatory applications, management of sub-advisors, marketing, sales, and finalization of issuances.

In 2023, in line with its goal of transferring more resources to the real economy and money markets through more effective use of capital market instruments, the Bank:

833 million TRY

Acted as the lead brokerage house in the public offering of Büyük Şefler Gıda Turizm Tekstil Danışmanlık Organizasyon Eğitim Sanayi Ve Ticaret A.Ş. with an issue size of **833 million TRY**.

422 million TRY

Acted as the lead brokerage house in the public offering of Meka Beton Santralleri İmalat Sanayi ve Ticaret A.Ş. with an issue size of **422 million TRY**.

370 million TRY

Provided consultancy services for the sukuk issuance of **370 million TRY** to Tarfin Tarım A.Ş.

50 million TRY

Provided consultancy services for the sukuk issuance of **50 million TRY** to Altınmarka Gıda Sanayi ve Ticaret A.Ş.

100 million TRY

Provided consultancy services for the sukuk issuance of **100 million TRY** to Biotrend Çevre ve Enerji Yatırımları A.Ş.

440 million TRY

Provided consultancy services for the sukuk issuance of **440 million TRY** to CarrefourSA Carrefour Sabancı Ticaret Merkezi A.Ş.

150 million TRY

Provided consultancy services for the sukuk issuance of **150 million TRY** to Tarım Kredi Tedarik ve Üretim A.Ş.

150 million TRY

Provided consultancy services for securing a sukuk issuance ceiling of **150 million TRY** for Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş.

500 million TRY

Provided consultancy services for securing a sukuk issuance ceiling of **500 million TRY** for Tarım Kredi Yem A.Ş.

2 billion TRY

Provided consultancy services for securing a sukuk issuance ceiling of **2 billion TRY** for Gübre Fabrikaları T.A.Ş.

1.25 billion TRY

Provided consultancy services for securing a bond/debt instrument issuance ceiling of **1.25 billion TRY** for Tiryaki Agro Gıda Sanayi ve Ticaret A.Ş.

Investment Banking

The Capital Markets Advisory Unit continues to work on projects related to IPOs, sukuk, and other debt instruments for clients in various sectors.

In the field of Mergers and Acquisitions Advisory, in 2023, the Bank continued to provide added value through advisory services to public institutions and private sector companies across different sectors, regardless of their scale, aiming to maintain its position among the leading mergers and acquisitions advisors. Within this framework, in addition to serving private sector clients, the Bank has been offering financial advisory services for the sale or privatization of companies and assets under the portfolio of the Privatization Administration of the Republic of Türkiye Ministry of Treasury and Finance ("Privatization Administration").

In 2023, the Bank provided advisory services for seven privatization tenders conducted by the Privatization Administration

as part of seven different privatization projects. One of these projects, initiated in 2020, involved advisory services for the privatization of certain passenger and yacht ports owned by Türkiye Denizcilik İşletmeleri A.Ş. (TDİ). The advisory work continued throughout 2023, to launch the tenders in the first half of 2024.

The Bank also continued to provide advisory services for another project managed by the Privatization Administration, related to the privatization of 13 power plants owned by Elektrik Üretim A.Ş. (EÜAŞ), to launch the tenders in the first half of 2024.

The Bank continues to provide financial advisory services to a start-up company focused on producing green raw materials from organic waste as part of its growth targets, supporting sustainable development. Similarly, the Bank serves as a financial advisor in the funding process of another company engaged in activities that prevent electronic waste,

contributing to Türkiye's circular economy goals. The Bank is also acting as a financial advisor for two companies aiming to expand their operations both in Türkiye and Europe, to support circular/sharing economy practices and reducing carbon emissions.



In addition to the projects mentioned above, in 2023, the Bank provided advisory services for 12 merger and acquisition transactions, with ongoing work to complete these projects in 2024.

The Bank's Mergers and Acquisitions Advisory Team, in addition to privatization projects, has been authorized by publicly funded companies to advise private sector firms operating in a variety of sectors such as energy, cement, construction, automotive, food, pharmaceuticals, packaging, petrochemicals, and manufacturing industries. Work on these projects is expected to continue throughout 2024.

As part of its financial advisory activities, the Bank provides valuation and financial feasibility consultancy services to public and private sector companies across various industries. The Bank plans to continue offering these services in 2024, preparing financial feasibility reports and company valuations for new investments aligned with clients' growth strategies, as well as providing financial advisory services to prepare firms for capital markets.

In 2023, the Bank continued to provide financial feasibility services for strategic investments in sectors of critical importance, such as energy, defense, and chemicals. Additionally, in preparation for public offerings, the Bank provided consultancy services to two large groups to strengthen their corporate structures and develop strategies for accessing capital markets. The Bank also initiated work for a domestic supermarket chain, starting with a 100 million USD loan as part of preparations for its upcoming initial public offering. Consultancy services were prepared for various industries with 2024 targets in mind.

The Bank's strategic objectives are determined annually based on regularly reviewed financial projections. These projections are aligned with the Bank's vision, mission, and values, which form the foundation of the Bank's Strategic Plan and are approved by the Board of Directors.



The 2023 budget and the financial projections for the 2023-2025 period also cover the Bank's strategic goals and plans in the field of Investment Banking. These goals include supporting the development of capital markets, contributing to economic growth, and accelerating sustainable development through the Bank's strategic initiatives.



Türkiye Development Fund

Through the Türkiye Development Fund (TDF), our Bank aims to establish an investment platform endowed with legal authority, flexibility, independence, and adherence to best practices.

In 2023, the direct investment made by the Türkiye Development Fund in the entrepreneurship ecosystem increased by **167%** compared to 2022, reaching **300 million TRY**.

Managed Fund Size 2.2 Billion TRY

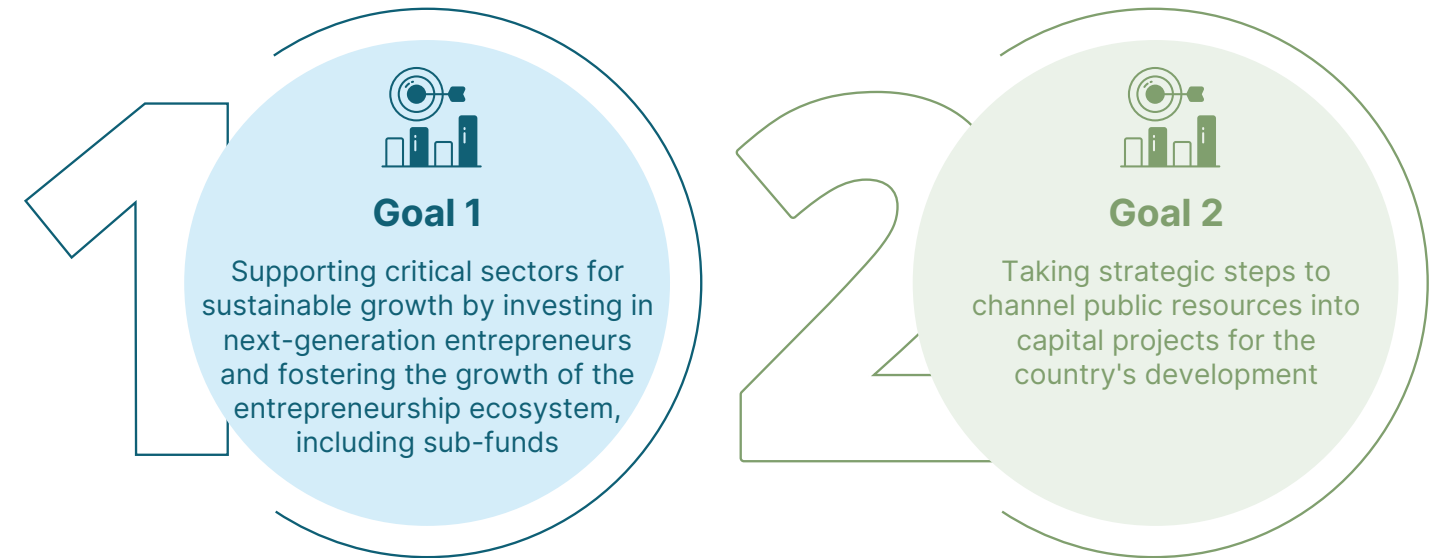
Under the Türkiye Development Fund, a total of **7** funds are successfully managing **2.2 billion TRY**.

In line with its strategic objectives, the Development and Investment Bank of Türkiye focuses on priority sectors identified in the country's development plans and programs.

These objectives include diversifying financial products in areas with high import dependency, trade deficits, and significant contributions to employment and foreign exchange earnings. By doing so, the Bank aims to provide effective solutions to sectors critical for the economy.



Strategic Objectives of the Türkiye Development Fund (TDF):



The Development and Investment Bank of Türkiye seeks to support national development through investments carried out by funds established under the Türkiye Development Fund. These funds are managed by experienced teams with a deep understanding of market dynamics and aim to ensure the efficient use of public resources in line with global best practices.

In addition to the key objectives outlined in the 12th Development Plan, the Bank has specific roles aimed at facilitating access to financing for priority sectors and enabling them to make long-term plans. One of the Bank's primary responsibilities is to establish long-term credit agreements with international financial institutions to support industrial investments, particularly in priority sectors.

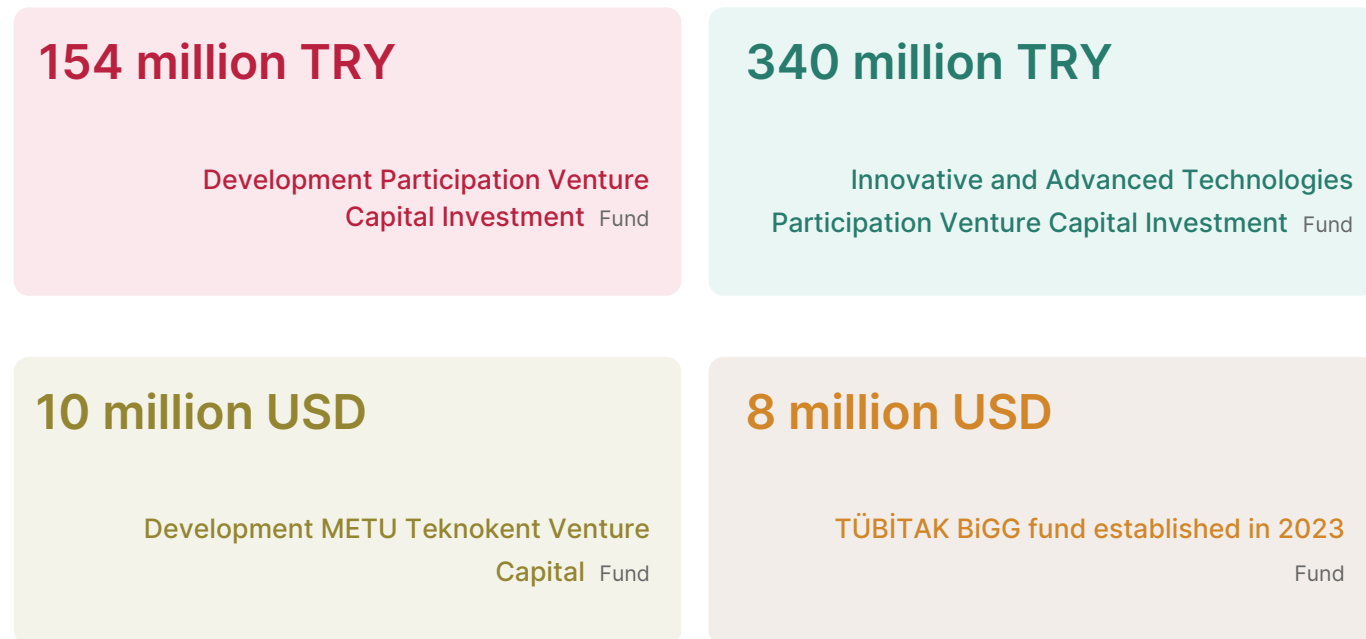
Türkiye Development Fund

The Bank is fully aware of its responsibilities and continues to work towards providing resources that will transform the manufacturing sector and support production-based growth. Through Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş., a 100% subsidiary of the Bank, seven funds are being managed to support industrial enterprises and start-ups in priority sectors.

Under the TDF umbrella fund, the following funds have been established:



Kalkınma Girişim Sermayesi Portföy Yönetimi Anonim Şirketi has established:



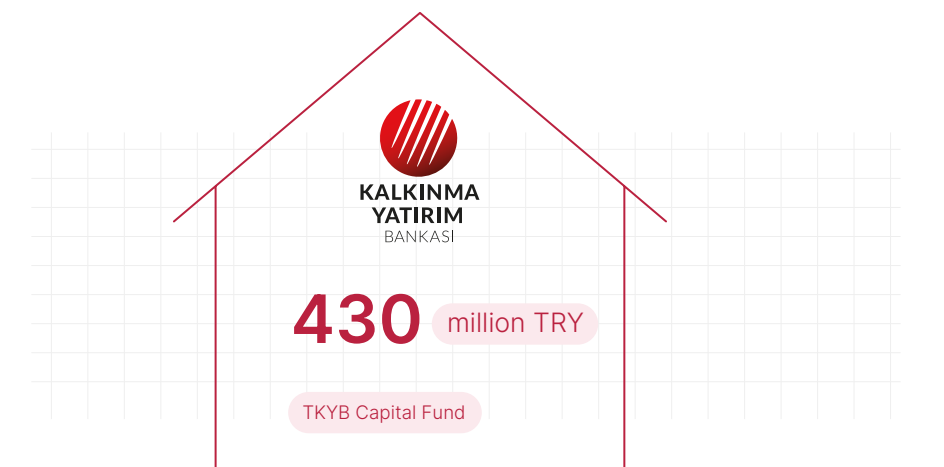
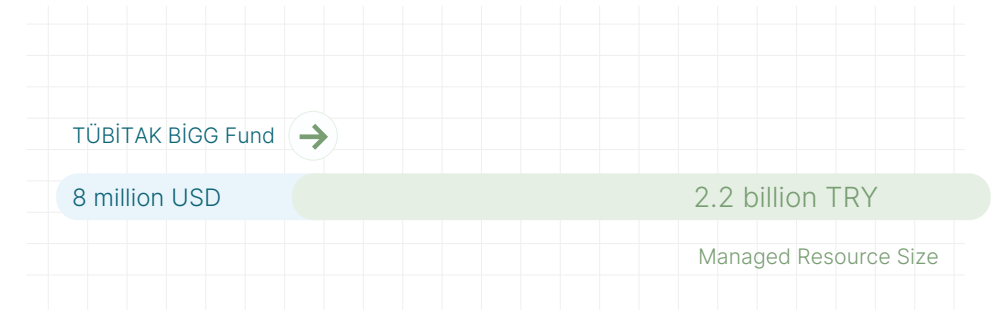
Through these seven funds, direct capital investments are made in small and medium-sized companies, with the goal of increasing venture capital investments nationwide and channeling more private sector resources into this area.

One of the strategic objectives of the Bank's development banking activities is to diversify financing products for priority sectors with high import dependency, trade deficits, and significant contributions to employment and foreign exchange earnings, as defined in the country's development plans and programs.

Established by the Development and Investment Bank of Türkiye in 2019, the Türkiye Development Fund had an active year in 2023, making a total of 14 direct investments, including 13 new investments and 1 ongoing investment.

With the establishment of the TÜBİTAK BiGG Fund, the seventh sub-fund, with an initial size of 8 million USD, the total assets under management increased to 2.2 billion TRY.

In addition to the TKYB Capital Fund established in 2021 under the umbrella of the Türkiye Development Fund with the Development Investment Bank as the sole investor with 430 million TRY, the Technology and Innovation Fund established with the Ministry of Industry and Technology of the Republic of Türkiye and KOSGEB, and the Regional Development Fund continue their investments.



Türkiye Development Fund

The Innovative and Advanced Technologies Participation Venture Capital Investment Fund, the Development Participation Venture Capital Investment Fund, and the Development ODTÜ Teknokent Venture Capital Investment Fund aim to support technology-focused companies that contribute to the national economy through funds that comply with Capital Markets Board (CMB) regulations.

The Türkiye Development Fund aims to establish an investment platform under its legal authority, flexibility, independence, and in line with best practices. Through capital and structured financing investments made via its sub-funds, the fund will foster strong relationships with the venture capital ecosystem and provide opportunities for joint investments.



The Bank's strategic objectives are determined in line with financial projections that are reviewed regularly every year. These projections are prepared in line with the vision, mission, and values that form the basis of the Bank's Strategic Plan and are approved by the Board of Directors.

The 2023 budget and the financial projections for the 2023-2025 period also include the Bank's strategic goals and plans in terms of Türkiye Development Fund. These goals cover the Bank's strategies to support economic growth, promote sustainable development, and contribute to the development of capital markets.

Project Finance and Corporate Loans

The Development and Investment Bank of Türkiye has made significant financial contributions to various sectors of the Turkish economy over the past 19 years. The Bank has provided \$5.7 billion in financing from international funds to sectors such as industry, renewable energy, energy and resource efficiency, circular economy, education, healthcare, wholesale banking, urban infrastructure, and tourism.

Through project financing and corporate loans, the Bank supports strategic sectors like automotive, steel, textiles, and renewable energy, thereby contributing to economic development, social progress, and environmentally conscious growth.

It offers financial solutions to manufacturing firms for new investments, capacity expansion, energy efficiency, and modernization, helping create jobs, boost competitiveness, and promote technology-based production. Additionally, the Bank contributes to increasing Türkiye's exports and developing import-substitute products by supporting R&D and innovative projects.

Project Finance and Corporate Loans

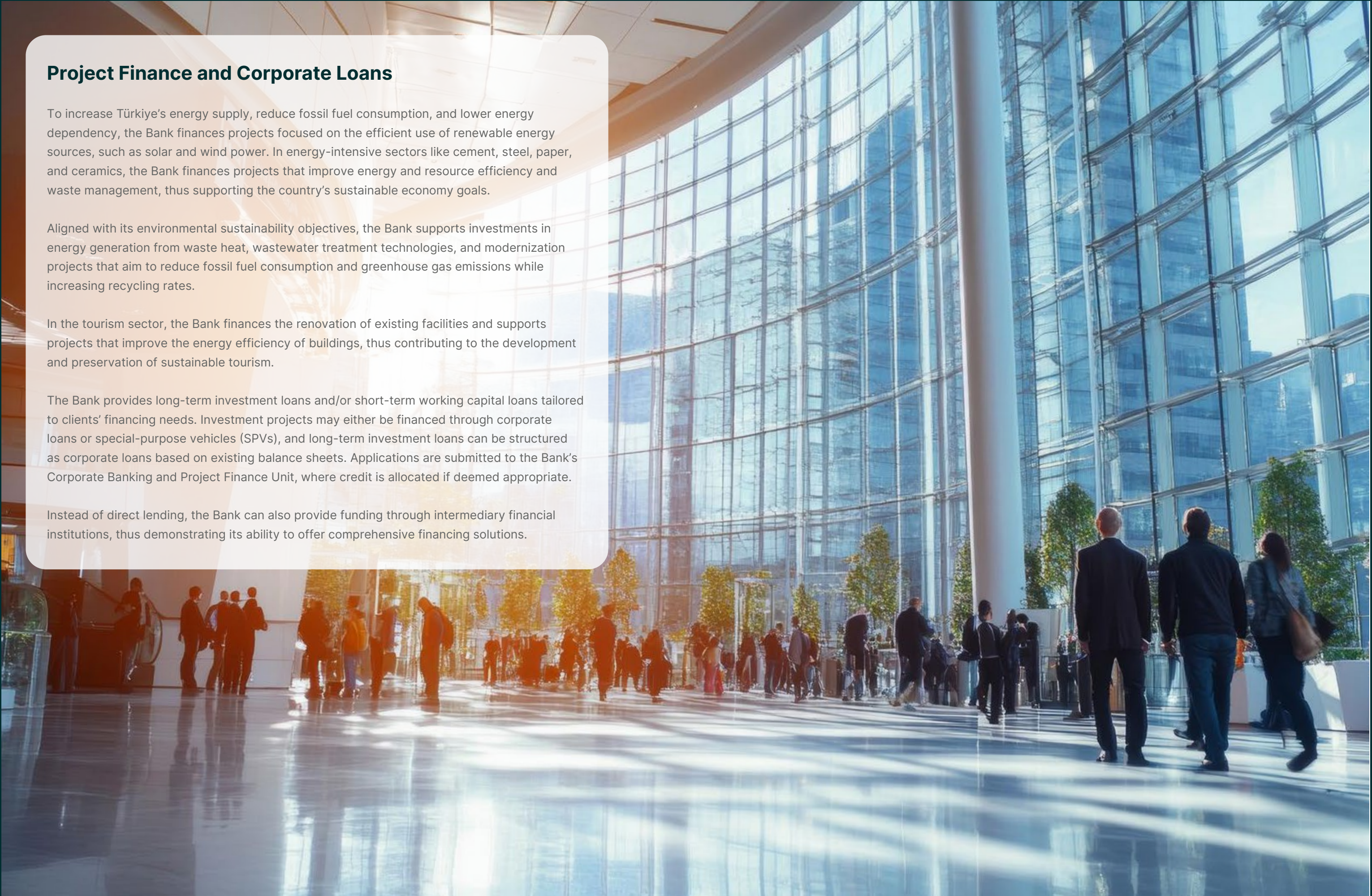
To increase Türkiye's energy supply, reduce fossil fuel consumption, and lower energy dependency, the Bank finances projects focused on the efficient use of renewable energy sources, such as solar and wind power. In energy-intensive sectors like cement, steel, paper, and ceramics, the Bank finances projects that improve energy and resource efficiency and waste management, thus supporting the country's sustainable economy goals.

Aligned with its environmental sustainability objectives, the Bank supports investments in energy generation from waste heat, wastewater treatment technologies, and modernization projects that aim to reduce fossil fuel consumption and greenhouse gas emissions while increasing recycling rates.

In the tourism sector, the Bank finances the renovation of existing facilities and supports projects that improve the energy efficiency of buildings, thus contributing to the development and preservation of sustainable tourism.

The Bank provides long-term investment loans and/or short-term working capital loans tailored to clients' financing needs. Investment projects may either be financed through corporate loans or special-purpose vehicles (SPVs), and long-term investment loans can be structured as corporate loans based on existing balance sheets. Applications are submitted to the Bank's Corporate Banking and Project Finance Unit, where credit is allocated if deemed appropriate.

Instead of direct lending, the Bank can also provide funding through intermediary financial institutions, thus demonstrating its ability to offer comprehensive financing solutions.



Lending Process

The lending process consists of several stages: Project Risk Analysis, Feasibility, Project Financing Model, and Monitoring Period. During the Project Risk Analysis, sector and company/group analyses are conducted, and macroeconomic, project, and company risks are reviewed. In the Feasibility stage, the project is assessed for its technical, financial, economic, legal, environmental, and social suitability.

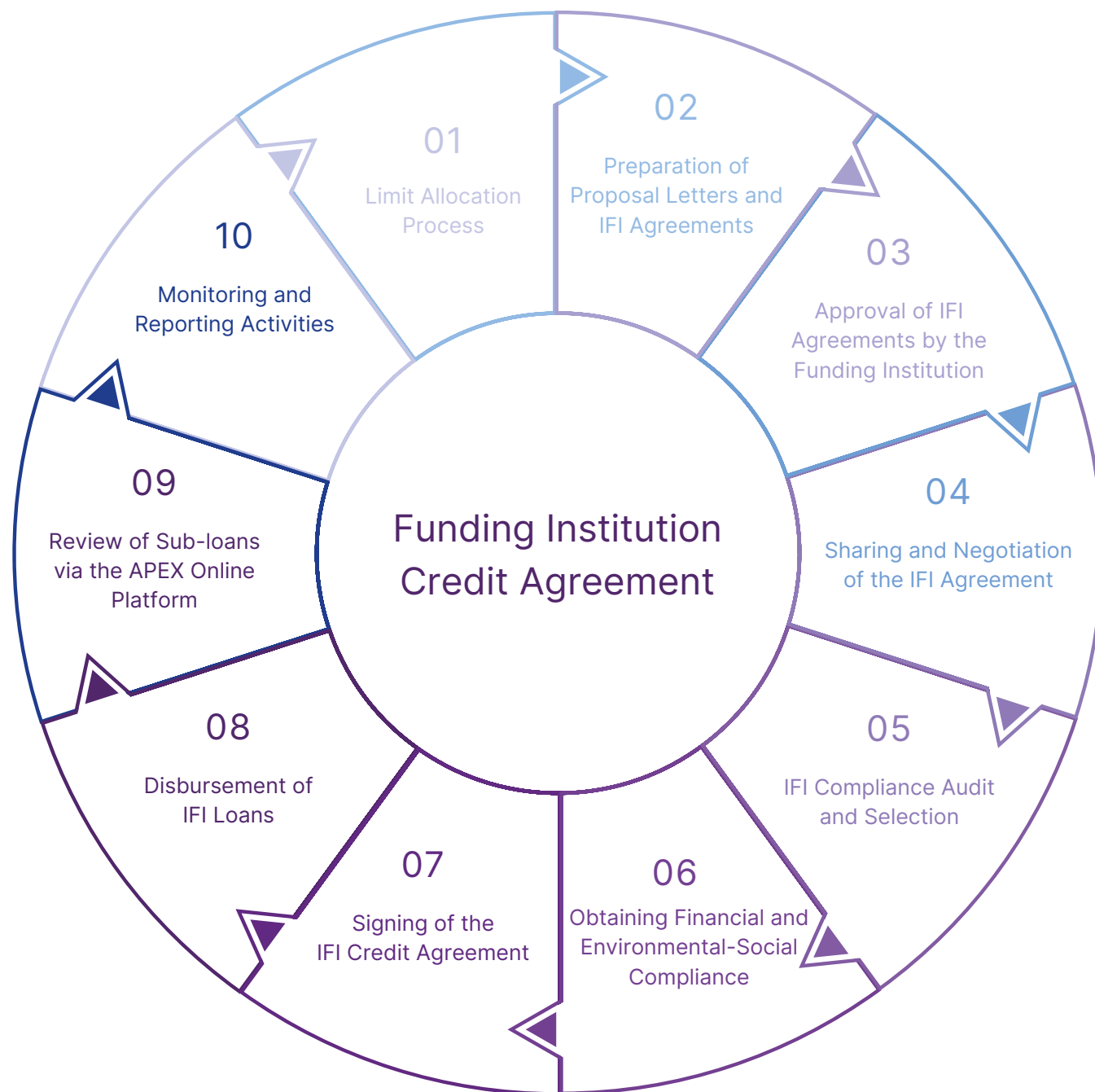
The Bank also considers economic, environmental, and social risks in accordance with its environmental and social policy requirements.

The Project Financing Model defines financial criteria such as credit/equity balance, working capital, maturity, and project/credit guarantees. Finally, in the Monitoring Period, technical progress and environmental-social impact reports are prepared to track the progress of the financed project.

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

APEX (Wholesale Banking) Lending Process

The APEX Banking lending process begins with a credit agreement between the Bank and the funding institution. Limits are then allocated to potential Intermediary Financial Institutions (IFIs). Proposal Letters and IFI agreements are prepared, and approval is obtained from the funding institution. The terms are negotiated with the IFIs, finalized with the approval of the Bank's legal department, and signed. Financial and environmental compliance audits are conducted for the IFIs, and, upon approval, the IFI credit agreement is signed. Following the disbursement of IFI loans, the sub-loans issued by the IFIs are reviewed, and monitoring and reporting activities are carried out for the approved sub-loans.



RESPONSIBLE BANKING FOR A SUSTAINABLE FUTURE



Our Sustainability Governance

The Development and Investment Bank of Türkiye aims to achieve its sustainability goals by delegating the responsibility for managing its economic, environmental, and social impacts across various levels of management.

In this framework, a group of managers specializing in sustainability and ethics has been established, a senior executive has been appointed to develop and implement sustainability strategies, and relevant employees have been assigned tasks to manage sustainability-related risks and opportunities at the operational level.

When determining the Bank's sustainability strategies and objectives, the highest governing body clearly defined the responsibilities for managing these matters. A senior executive is specifically appointed to create policies that support the Bank's mission and long-term goals and leads the development and implementation of sustainability strategies. Meanwhile, the relevant departments and employees ensure the management of sustainability-related risks and opportunities at the operational level.

In 2023, two working group meetings were held pertaining to sustainability, where the decisions to measure the 2021 Scope 3 emissions (emissions from investments) and to compare the numbers of the last three years (2021, 2022, and 2023) were found appropriate.

Our Sustainability Governance

The Bank aims to have its sustainability targets verified by the Science Based Targets initiative (SBTi) and is currently in the process of developing these targets. These targets are planned to be submitted for validation within the next year.

In the first quarter of 2024, the Sustainability Committee convened at the Board of Directors level and exchanged information to assess the 2023 targets.

Three resolutions were adopted: to collaborate with universities in the field of sustainability, for the Bank's community experts to receive training on Social Impact Management and Social Return on Investment (SROI) accredited by Social Value International, and to join Social Value Türkiye, as well as to develop a Climate Change Mitigation and Adaptation Policy.

Our bank has taken various steps to increase the knowledge and experience of the highest governing body on sustainability matters. In this context, we organize regular sustainability training for board members and senior executives and collaborate with external experts. Members of the highest governing body regularly attend various conferences related to sustainability. These conferences offer valuable opportunities for them to stay informed about the latest developments in the sector, learn best practices, and share their experiences and knowledge with other leaders in the industry. Additionally, committees or working groups focused on sustainability are established to make strategic decisions and promote experience sharing.

The Bank's sustainability goals and performance metrics are regularly evaluated at board meetings. In this context, the latest developments related to sustainability and potential risks and opportunities are presented to the board members and discussed in detail.

The board is regularly informed to ensure the effective implementation and continuous improvement of sustainability strategies. This information contributes to strategic decision-making and guidance processes, helping the Bank achieve its long-term goals.



Control mechanisms and procedures used to manage sustainability-related risks and opportunities are clearly defined for the relevant governing bodies and the individuals to whom these tasks are delegated.

In cases where management responsibilities for impacts are delegated, reports submitted to the highest governing body are organized in detail and comprehensive. The Development and Investment Bank of Türkiye regularly reports on critical matters in sustainability.

The reporting process is crucial in evaluating the Bank's sustainability performance and making strategic decisions.

The Bank's sustainability reports are also an important tool for communicating with external stakeholders, and transparent communication is ensured through platforms such as general assembly meetings and dedicated sustainability forums.

In 2023, with the participation of our General Manager, all Executive Vice Presidents, and Bank employees, a total of 38 of our employees successfully completed the 3-month Corporate Sustainability Expertise Certificate Program provided by the Turkish Capital Markets Association (TCMA).

Our Sustainability Committee

The Development and Investment Bank of Türkiye demonstrates strong ownership and leadership at the senior management level to develop sustainability strategies and integrate these strategies into all of the Bank's operations. In line with this goal, the Sustainability Committee, established in 2020, continues its activities to guide and oversee the Bank's sustainability efforts.

The committee, chaired by the General Manager, is responsible for critical tasks such as setting the Bank's sustainability targets, policy development, performance monitoring, and managing reporting processes.

In addition to the General Manager, the committee includes an independent Board Member, the Executive Vice President responsible for the Sustainability and Environmental Social Impact Management Unit, the Executive Vice President responsible for Development Finance and Financial Institutions, the Executive

Vice President responsible for Human Resources, Finance, and Strategy, and the Sustainability and Environmental Social Impact Unit Manager. The committee can also include other auxiliary members as determined by itself.

The independent Board Member and other auxiliary members are selected by the committee's decision.

The Sustainability Committee has continued its activities under the guidelines updated in August 2021, with the most recent version implemented following an update in May 2023.

The committee undertakes responsibilities such as making strategic decisions that account for environmental, social, and corporate governance factors, exploring innovative solutions, and promoting sustainability-focused projects.

In 2022, the committee held one meeting and made two decisions. By 2023, two working group meetings were held, during which committee members consulted with relevant business units to ensure the continuity of sustainability efforts.

The Sustainability Committee continues its work to develop the Development and Investment Bank of Türkiye's sustainability strategy and policies, integrate these strategies into all Bank operations, and manage this process effectively.



The Sustainability Working Group was formed in 2023 under the Sustainability Committee by the TKYB Sustainability and Environmental Social Impact Management Unit. This working group is tasked with determining decisions to be presented to the committee, working on the targets, and carrying out the Bank's sustainability-related activities. The working group convened twice in 2023 and made a total of 10 climate and sustainability-focused decisions.

Our Policies and Principles

The Development and Investment Bank of Türkiye maintained its commitment to sustainability throughout 2023 and successfully established a strong corporate culture in this area. The Bank has defined its core mission as meeting investors' financing and advisory needs, supporting structural transformations aligned with our country's sustainable development priorities, and ensuring that capital is distributed to the grassroots. In line with this mission, TKYB has rigorously adopted Sustainability Principles since 2020, continuously strengthening its sustainability culture in accordance with these principles.

Reflecting its commitment to the United Nations Sustainable Development Goals (SDGs) at every step, TKYB develops projects and practices to promote sustainable development. The Bank is committed to equity and transparency in all communications and to providing a respectful, equitable, and reliable environment for its employees and customers.

Furthermore, it aims to raise awareness of sustainability by encouraging customers and stakeholders to embrace these values.

Various steps are taken to define the scope of the organization's sustainability policy commitments across all activities and business relationships. These commitments, approved by the Board of Directors, are central to the Bank's strategic objectives. Policy commitments are disclosed to employees, stakeholders, and other relevant parties through internal training programs and regular communication channels.

Employees receive regular training to understand the importance of sustainability policies and objectives and to learn how they can contribute to these goals. These training programs are continuously updated to strengthen awareness of sustainability and enhance the practical implementation of policy commitments. The training provides comprehensive guidance on implementing sustainability commitments

and addresses how employees can contribute to these goals. The employee training programs encourage awareness of sustainability issues and offer practical insights into how sustainability principles can be integrated into daily business processes.

The training focuses on the challenges and opportunities related to sustainability that may be encountered in business processes to equip employees with the necessary skills. Additionally, the training is regularly updated to keep employees informed about the latest sustainability trends and regulations. Thus, employees are equipped with the knowledge and skills necessary to implement the Bank's sustainability commitments effectively.

Sustainability Policies and Commitments



Environmental and Social Policy

Throughout 2023, TKYB remained committed to its Environmental and Social Policy, shaping all its operational activities in accordance with this policy. In effect since January 2020, the policy applies to all bank employees and operations. The Bank is committed to aligning with international standards such as the World Bank Environmental and Social Framework (WB ESF) and the IFC Performance Standards, considering the long-term benefits of environmental and social development. In this context, the Bank enhanced its Environmental and Social Management System (ESMS) in 2023 to strengthen the management of environmental and social risks. This system ensures the management of not only environmental and social risks but also credit-related and reputational risks during investment processes. The Bank is committed to protecting biodiversity and cultural heritage by supporting investments to minimize negative impacts on the environment and society. In line with its commitments to biodiversity and cultural heritage, the Bank conducts detailed assessments of the projects it finances through site visits with expert biologists. These assessments comprehensively evaluate the potential impact of projects on biodiversity and cultural heritage. To manage any potential project risk effectively, the Bank requires its clients to submit biodiversity and cultural heritage management plans as appendices in their loan agreements.



Climate Change Mitigation and Adaptation Policy

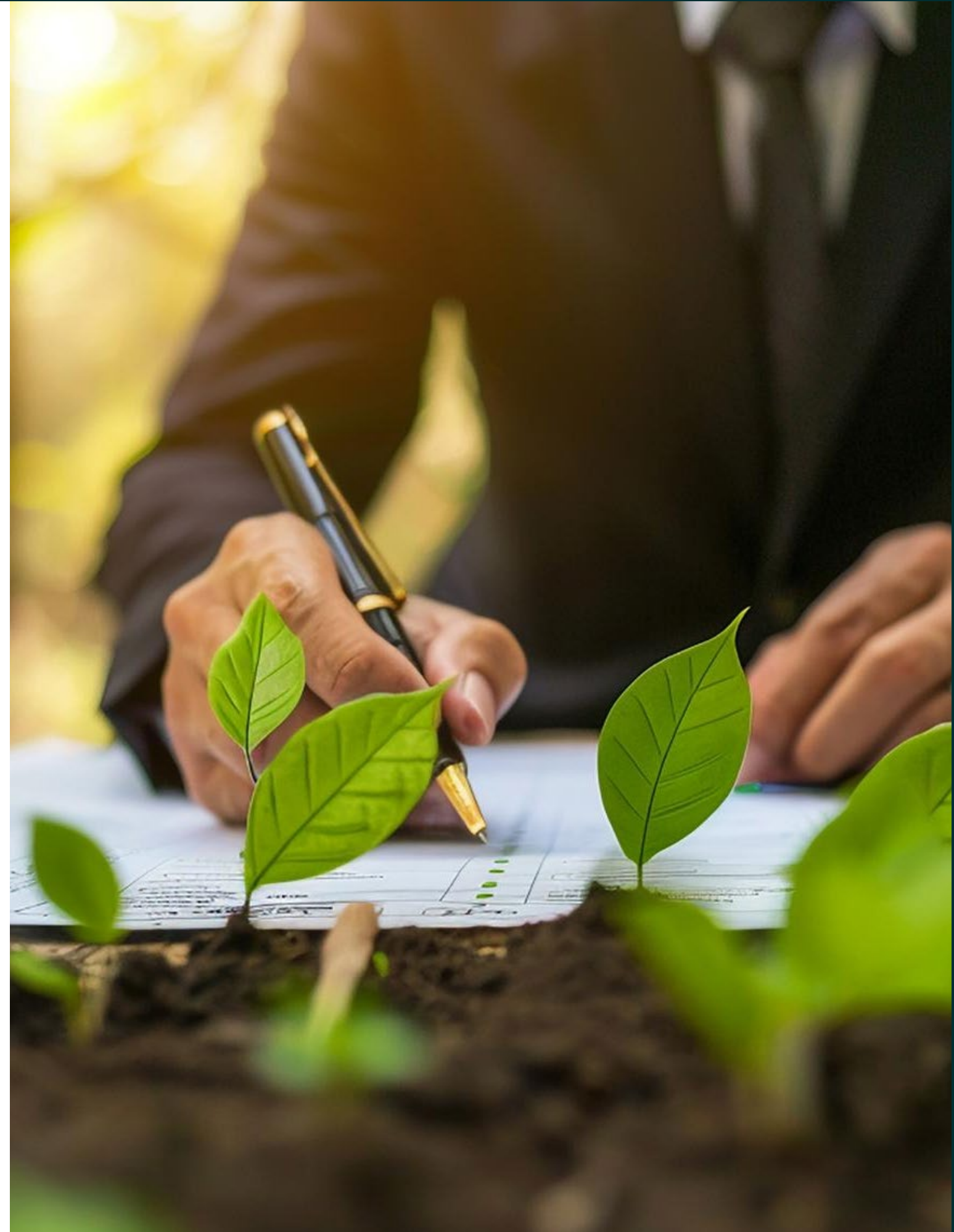
Recognizing the social, economic, and financial impacts of climate change, TKYB made its Climate Change Mitigation and Adaptation Policy a strategic priority in 2023. In line with this policy, published in June 2020, the Bank monitors greenhouse gas emissions from its operational activities and sets reduction targets. The Bank continues its efforts to raise environmental awareness by reporting its annual greenhouse gas emissions performance to the Carbon Disclosure Project (CDP) Climate Change Program. Additionally, throughout 2023, the Bank conducted educational programs to increase public awareness of climate change and enhance efforts to mitigate environmental impacts.

Sustainability Policies and Commitments

Environmental Management System

As the first public bank to hold the TSE EN ISO 14001 Environmental Management System Standard, TKYB aims to increase positive environmental impact and reduce negative impact under its Environmental Management System. With this system, the Bank aims to manage its operational risks and opportunities by evaluating economic, environmental, and social components. Furthermore, the Bank continues its efforts to improve energy and resource efficiency in compliance with national and international regulations and standards.

- Reducing the use of resources and waste generation during activities and services without compromising service quality,
- Creating positive environmental impact and raising awareness within the scope of the Bank's services and activities,
- Minimizing harmful effects on human health and the environment,
- Ensuring the continuity and continuous improvement of the established system,
- Supporting environmentally sensitive efforts and all forms of voluntary activities, and
- Maintaining an internationally recognized management system that meets the requirements of the TS-EN-ISO 14001 Environmental Management System Standard.



Effective Stakeholder Engagement

The Development and Investment Bank of Türkiye has adopted an approach that prioritizes strong and continuous communication with its stakeholders, accounting for their priorities and expectations.

The Bank engages with a broad range of stakeholders, including customers, funding institutions, member organizations, public stakeholders, international cooperation partners, consultants, educational and regulatory institutions, social responsibility organizations, competitors, and suppliers. Through a comprehensive stakeholder mapping process, the Bank evaluates the influence and importance these stakeholders have on its business. This process allows the Bank to identify stakeholders' needs and expectations and take steps aligned with its sustainability strategy.

Our Bank operates with an integrated approach, regularly communicating with stakeholders and focusing on their material topics. This communication process lays the groundwork for understanding stakeholder expectations and developing activities and practices that meet those expectations. The Bank continues its efforts to create value and places great importance on the feedback it receives from various stakeholder groups.

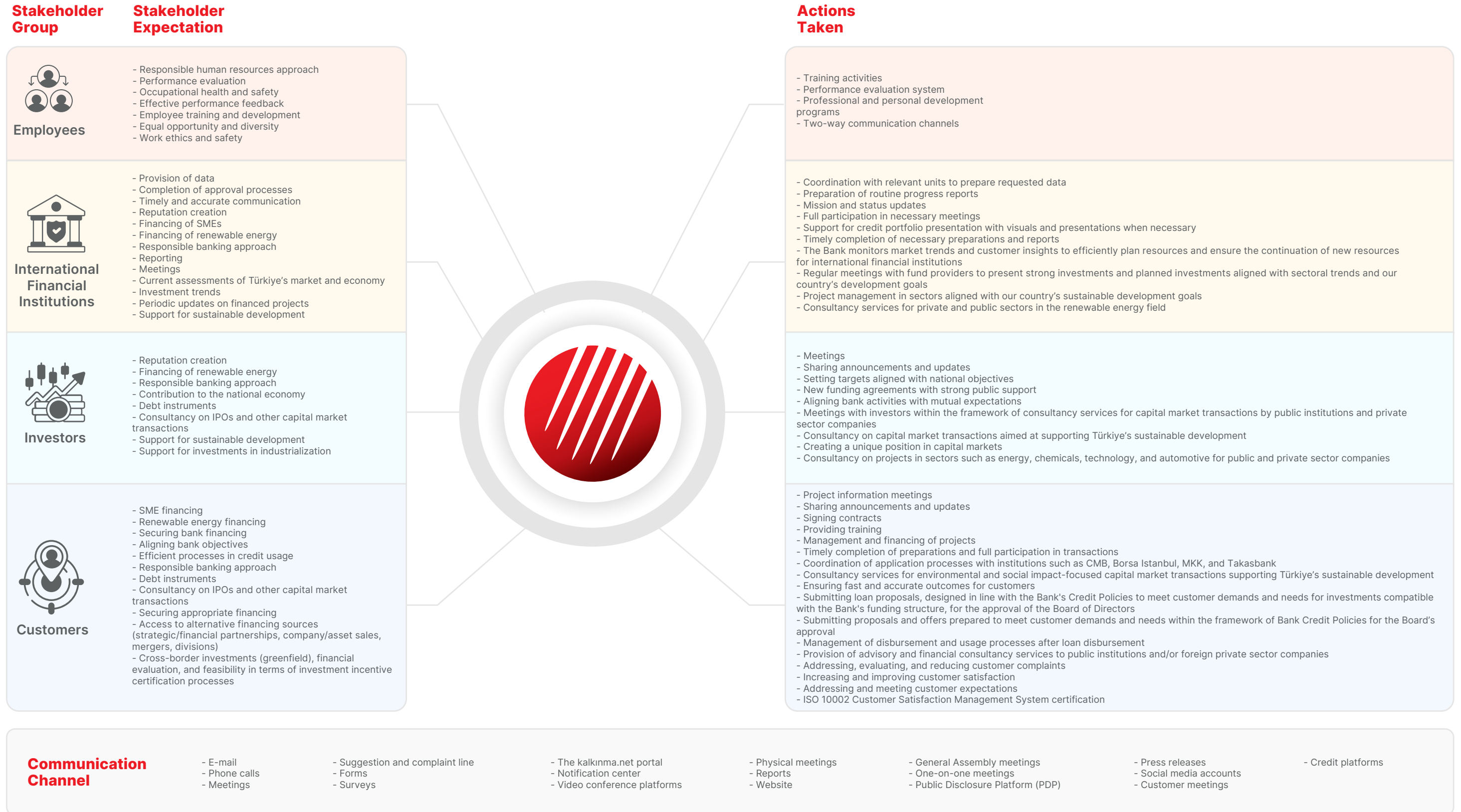
The Bank has created an intranet portal for its employees to strengthen internal communication. This portal enables employees to quickly and securely access information and provides real-time updates on internal developments and news. Additionally, it encourages employees to provide feedback, aiming to enhance collaboration and efficiency within the organization. Accordingly, the Bank not only responds to its employees' needs but also continuously improves its business processes to increase effectiveness.

The Development and Investment Bank of Türkiye maintains regular and constructive communication with all its stakeholders, understanding their needs and priorities and shaping its strategies accordingly to pursue sustainable value creation. The Bank aims to effectively use communication channels and strengthen collaborations to meet stakeholder expectations and improve its corporate performance.



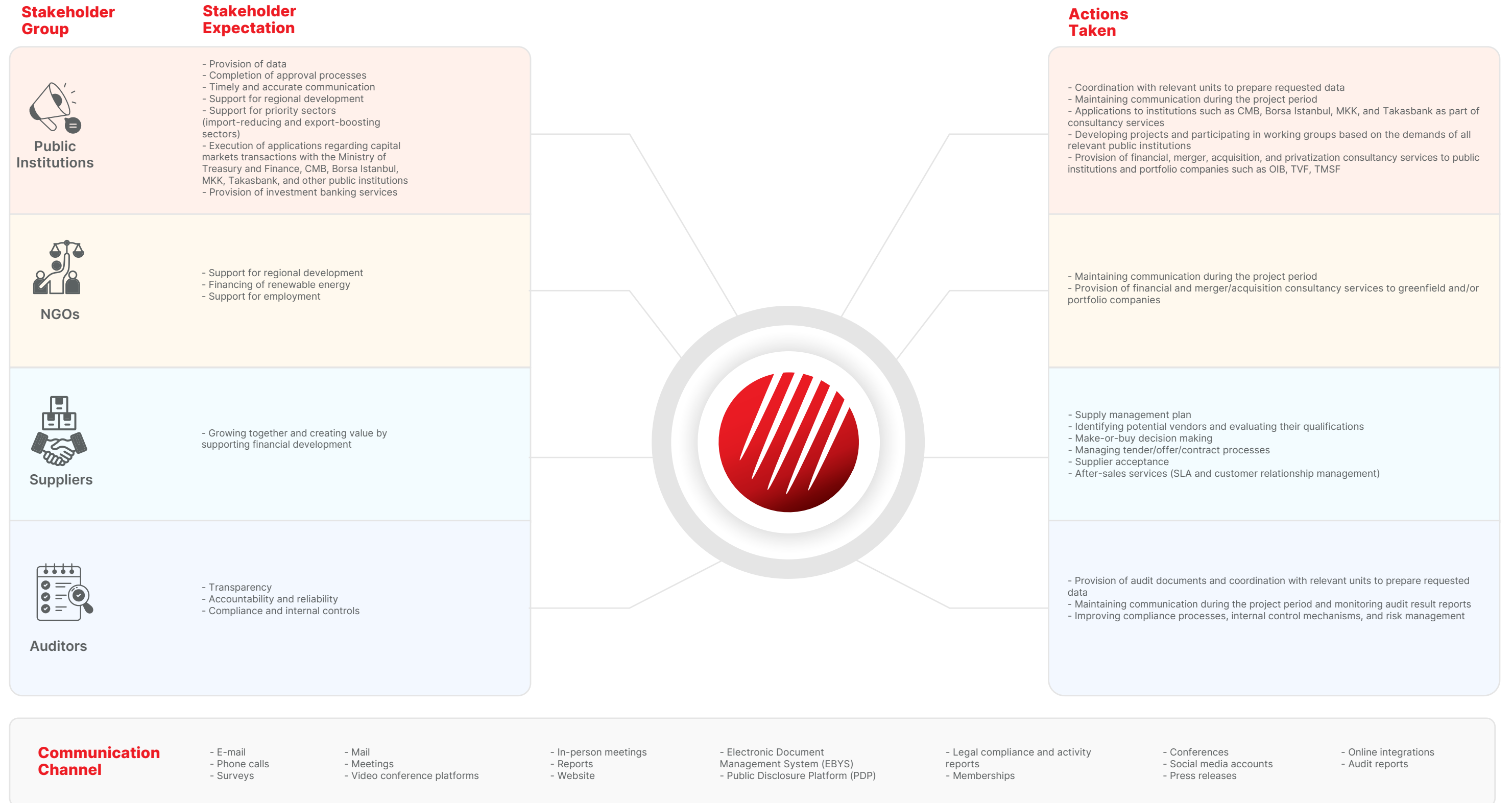
Effective Stakeholder Engagement

Stakeholder Engagement Table



Effective Stakeholder Engagement

Stakeholder Engagement Table



Materiality Analysis and Material Topics

In 2023, TKYB adopted a comprehensive materiality methodology based on the double materiality perspective to develop sustainability strategies. This process is shaped by a holistic assessment of the Bank's strategic goals, stakeholder expectations, and sectoral developments. By taking an integrated approach, the Bank places great importance on gathering feedback on stakeholders' material topics and taking steps to meet their expectations in alignment with its sustainability strategy.

The materiality analysis is conducted regularly to support the dynamic structure of the Bank's sustainability strategy and is updated as needed. The findings from each analysis are directly integrated into the Bank's strategic decision-making processes, and these findings are continuously monitored in line with the established sustainability goals. Additionally, the impacts of the analysis results are regularly evaluated not only at a strategic level but also at an operational level, with the actions determined through these evaluations being implemented.



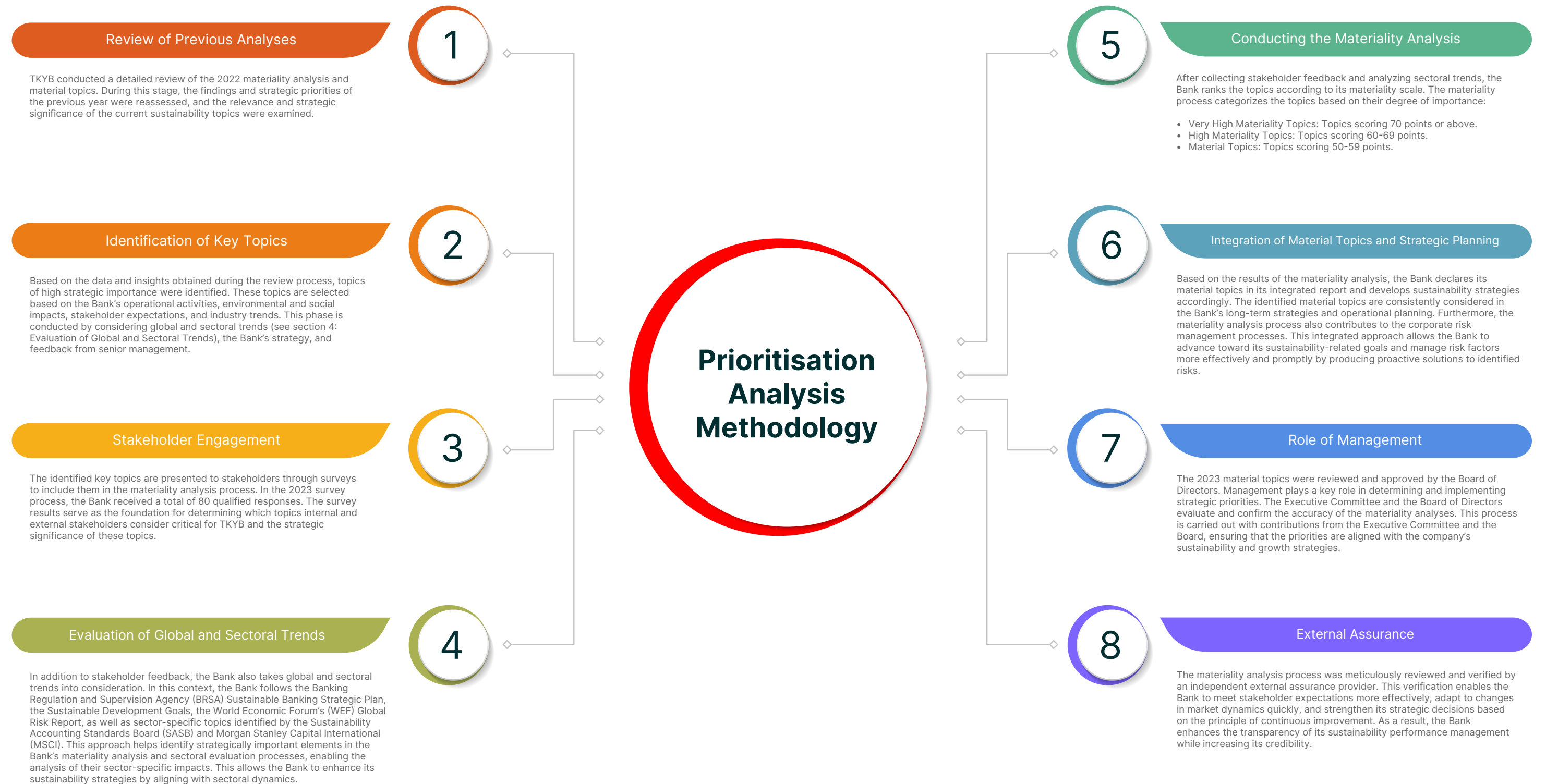
The effects of the analysis results are periodically reviewed in depth, considering stakeholder expectations and sectoral developments. Based on these reviews, the Bank's sustainability strategies are updated and improved both in the short and long term, ensuring a continuous improvement cycle towards achieving sustainable development goals. The effects of the analysis results are directly reflected in the Bank's engagement with both internal and external stakeholders, as well as its corporate sustainability performance, contributing to the transparent management of these processes.

TKYB regularly engages with all stakeholder groups through various communication channels, focusing on value creation by considering different stakeholders' priorities, needs, and expectations.

In this framework, material topics are identified based on the Bank's strategy, internal stakeholders' views, key external stakeholders' opinions, and external environmental analysis results. During this process, the Bank identified material topics within its focus areas and shared them with internal and external stakeholders to gather their insights and feedback. Furthermore, the Bank better understood which strategic goals it should set to achieve its sustainability objectives. These assessments were conducted with careful consideration of reports published by national and international organizations.

Materiality Analysis and Material Topics

Methodology of the Materiality Analysis



2023 Materiality Matrix



List of 2023 Material Topics

Material topics are listed in the table below; materiality scores for each topic concerning the Development and Investment Bank of Türkiye and external stakeholders are determined in a materiality matrix. The list is prepared in accordance with TKYB's internal perspective and the expectations of its external stakeholders. The results have shaped the Bank's sustainability strategies.

Rank (Materiality)	Material Topic	Materiality Scores for TKYB (outside-in)	Materiality Score for External Stakeholders (inside-out)	Average Materiality Score (0-100)	Category
1	Ethical Conduct, Human Rights, and Anti-Corruption	82.5	77.9	80.2	Very High Materiality Topic
2	Climate Change and ESG-Focused Investments	73.3	73.9	73.6	Very High Materiality Topic
3	Employee Development and Well-being	62.5	67.7	65.1	High Materiality Topic
4	Cybersecurity and Data Privacy	64.5	64.8	64.6	High Materiality Topic
5	Inclusive Growth and Financial Performance	59.3	62.7	61.0	High Materiality Topic
6	Diversity and Inclusion	56.0	63.4	59.7	Material Topic
7	Stakeholder Capitalism and Transparency	52.5	57.8	55.2	Material Topic
8	Digital Transformation and Innovation	49.8	57.0	53.4	Material Topic
9	Customer Satisfaction	52.5	53.1	52.8	Material Topic

Throughout the materiality process, the Bank has adopted transparency, engaging in regular and comprehensive information-exchange with stakeholders. Data collected during this process is meticulously analyzed and presented to stakeholders in a clear and detailed manner. This approach not only addresses stakeholder expectations but also ensures accountability and trust in the Bank's sustainability strategies. In line with these findings, the Bank continuously updates its sustainability strategies and takes proactive measures in a transparent manner. This commitment enhances the Bank's corporate sustainability performance while solidifying its leadership position within the industry.

Responsible Banking

The Development and Investment Bank of Türkiye has been operating for over half a century with a commitment to supporting sustainable development and responsible banking. Throughout the 100-year history of our Republic, the Bank has taken pride in contributing to development initiatives during its half-century journey.

Focusing on the future of Türkiye and the world, the Bank addresses investors' financing and advisory needs, playing a significant role in combating climate change's environmental, social, and economic impacts. One of TKYB's core values, Responsible Banking, is at the heart of all its activities and reinforces its mission to support sustainable development. The Bank aims to create long-term value by using its resources efficiently and showing sensitivity for the environment and society.

In line with its main mission, the Bank is dedicated to supporting investments that align with Türkiye's development goals and remains a committed partner in every initiative and project that promotes sustainable growth.

TKYB is strengthening its collaborations with international organizations in the areas of environmental protection and climate change mitigation, which are key components of sustainable development.

As a founding signatory of the United Nations Environment Programme Finance Initiative's (UNEP FI) Principles for Responsible Banking, the Bank aims to enhance its influence in sustainable finance. Throughout 2023, the Bank implemented comprehensive strategies to manage environmental and social risks effectively and executed various projects to bring these strategies to life.

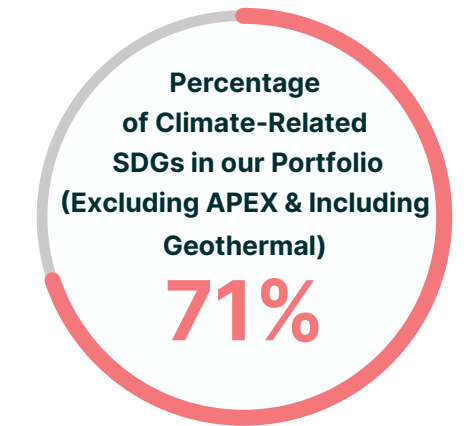
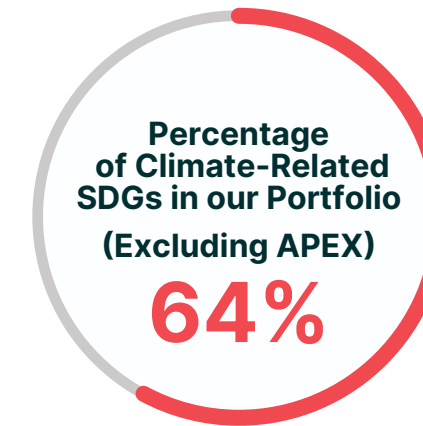
In order to prevent potential negative impacts, priority was given to projects that support environmental sustainability. Investments in renewable energy sources were increased, and financing was provided for eco-friendly projects to reduce fossil fuel usage and minimize greenhouse gas emissions. Green bonds were issued in 2022 to address existing negative impacts, providing funding for environmental sustainability projects. By 2023, coupon payments for these bonds were ongoing. These bonds allowed for detailed information on the environmental and social impacts of the projects to be shared with investors, thereby increasing transparency and building investor trust.

Responsible Banking

In line with these efforts, TKYB became the first bank in Türkiye to sign the Impact Management Working Principles, conducting its financing activities and reporting in accordance with global standards. In this context, the Bank adheres to the principles of transparency, accountability, and measurability in areas such as project finance, venture capital, and private equity investments. Additionally, the Bank continues to support economic development by providing financial backing for key infrastructure investments across the country. In 2023, TKYB contributed to the development of the real sector through projects aimed at improving energy efficiency, modernizing transportation infrastructure, and advancing healthcare and education. These projects serve a broad segment of society and support sustainable development.

To achieve sustainable development goals, in 2021 the Bank integrated criteria for measuring contributions to the United Nations Sustainable Development Goals (SDGs) into all its credit evaluation processes. This integration enables the Bank to effectively manage environmental and social risks while enhancing the societal benefits of the financing it provides.

In 2022, TKYB's sustainability-themed loan portfolio accounted for 79% of the total portfolio, and by the end of 2023, this ratio had risen to 93%. This growth highlights the Bank's dedication to sustainable investments and its commitment to this field. In 2023, TKYB provided a total of \$2.6 billion in SDG-linked loans, contributing directly or indirectly to 15 of the 17 SDGs. Moreover, by financing 6% of Türkiye's renewable energy projects, the Bank helped reduce CO₂ emissions by 4.6 million tons. ✓



TKYB continues to maintain its leadership in the fight against climate change by making environmentally and socially conscious investments and taking bold steps toward the future. The Bank remains committed to developing preventive and adaptive solutions to climate change and continues to support innovative projects in this field.

Climate Change and ESG Investments

The Development and Investment Bank of Türkiye actively contributes to the fight against climate change and promotes investments aligned with Environmental, Social, and Governance (ESG) principles.



The Bank invests in sustainable projects and technologies to mitigate the environmental, social, and economic impacts of climate change. Renewable energy projects, energy efficiency solutions, and environmentally friendly technologies are prioritized in this context.

The Bank also invests in social responsibility projects, considering the needs of local communities and social impacts. These projects aim to improve the quality of life of communities, ensure social security, and reduce social inequalities. Social factors such as occupational health and safety, employee rights, and the well-being of local communities play an important role in the selection of investments.

Factors Affecting Investment Selection in Social Responsibility Projects



Occupational
Health and Safety



Employee
Rights



Well-being of
Local Communities

In terms of governance, the Bank evaluates transparency, accountability, and compliance with ethical standards of the companies in which it will invest. The corporate governance structures and management quality of companies are among the determining factors in the Bank's investment decisions. In this way, the Bank emphasizes the importance of a strong corporate governance structure to achieve long-term sustainability goals.

By integrating ESG factors in its investment processes, the Bank considers not only financial return but also long-term sustainability and social benefit. Through this approach, it aims to minimize environmental and social impacts and contribute to society through responsible investments. This strategy reinforces the Development Bank's commitment to sustainability and climate change mitigation efforts at national and international levels.

Climate Change and ESG Investments

Climate Change and Environmental Impact

Our Bank takes an agile approach to combating climate change and managing environmental impacts. In this context, since 2016, the Bank has been regularly reporting to the Carbon Disclosure Project Climate Change Program, the world's largest environmental reporting platform. In the information provided to the CDP platform, the Bank evaluates risks and opportunities related to climate change and voluntarily responds to questions on strategy, governance, emission metrics, targets, performance, and value chain interactions.

In 2023, the Bank achieved a score of B (Management Level) within the scope of CDP, which indicates that the Bank's climate change-related activities are at the management level and that it adopts a continuous improvement-oriented approach.

With the 2020 Climate Change Mitigation and Adaptation Policy, the Bank emphasizes the strategic priority of combating climate change. Within the scope of this policy, **in line with its commitment to reduce greenhouse gas emissions from operational activities, the Bank issued a 100 million EUR sustainable Eurobond.** This fund is allocated to green projects that support environmental sustainability, contributing to Türkiye's achievement of net zero emission targets. It also supports global action against climate change by providing financing in areas such as renewable energy and energy efficiency projects.

Aware of the potential impacts of climate change on social welfare, economic development, and financial stability, TKYB shapes its strategies accordingly. The policies it has developed for the effective management of risks and opportunities

related to climate change include measures to build resilience against environmental threats such as diminishing water resources. To this end, the Bank finances projects for investments that support emission reductions in industries and offers innovative solutions to enhance environmental sustainability.



The “**Green 4**” themed loan agreement, totaling **200 million USD**, signed with the **Japan Bank for International Cooperation (JBIC)** in 2023 by our bank, **is considered a significant step in Türkiye's journey to combat climate change.** Additionally, under agreements with the World Bank, projects aimed at reducing greenhouse gas and air pollutant emissions from specific industrial sectors in Türkiye have been financed.

These projects are expected to both mitigate the effects of climate change by lowering greenhouse gas emissions and support investments that enhance climate adaptation.

The Bank continues its efforts in the field of climate change and environmental impact on international platforms as well. In 2023, it participated in the

















28th Conference of the Parties (COP28) to the United Nations Framework Convention on Climate Change in Dubai, working to enhance international cooperation opportunities for financing climate change mitigation and adaptation investments. This active participation further underscores the Bank's commitment to combating climate change and its dedication to sustainable development goals.

In conclusion, the Development and Investment Bank of Türkiye follows a comprehensive and forward-looking strategy on climate change and environmental impacts, taking necessary steps toward a sustainable future. The Bank continues to play a leading role in addressing climate change at both the national and international levels, offering innovative financing solutions that support environmental sustainability and solidify its leadership in this area.



Climate-related Risks and Opportunities

Within the scope of the studies carried out in 2023, the Bank carried out the processes of identifying and managing risks and opportunities related to climate change under the guidance of TCFD (Task Force on Climate-related Financial Disclosures). Within the framework of TCFD, strategy, governance, risk management and performance metrics related to climate risks were analyzed and proactive steps were taken in this area. These analyses contributed to shaping the Bank's climate-related strategic decisions in a more effective and sustainable manner.

TRANSITION RISKS								
Risk Category	Risk Definition	Likelihood	Impact	Risk Point	Term	Risk Mitigating Activity	Opportunity	Key Risk Indicator
Regulatory Risks	International and local regulations such as the EU Taxonomy, the Carbon Border Adjustment Mechanism, and the Turkish Sustainability Reporting Standards may increase the legal responsibilities and costs of the Bank and the companies in its portfolio, and companies may face difficulties in complying with the relevant regulations.	 3	 3	 9	 Short	The Bank collaborates with stakeholders such as chambers of industry and commerce and universities to mitigate regulatory risks. Within the scope of the loans granted, the environmental and social maturity of customers is analyzed, their compliance with national legislation is monitored, and their performance is improved. These efforts contribute to customers' compliance with legal regulations and reduce their sustainability risks. To mitigate the impact of climate-related regulatory risks, the Bank provides thematic funding sources to customers. These efforts contribute to customers' compliance with legal regulations and reduce sustainability risks.	In line with an effective sustainability and climate-related risk management approach, we can collaborate with all stakeholders on green transformation and combating climate change, and we gain the opportunity to adapt early to climate-related regulations. Within the framework of compliance with the European Green Deal and the Paris Climate Agreement, new customers can be reached and the portfolio expanded through green financing sources in the green transformation process.	1) Number of Customers Subject to CBAM 2) Number of Customers Subject to TSRS
	The outdated technologies used in companies financed by investment and operating loans may cause disruptions in the financial and operational processes of customers. This has the potential to create credit risk for the bank.	 1	 2	 2	 Medium	The Bank supports companies' access to modern technology through financing provided within the scope of modernization investments. Within the framework of the relevant financing, technical evaluations are carried out by technical teams during the credit analysis process, before and after the loan disbursement.	By financing their investments in updated technologies, customers are supported to improve their operational processes and gain competitive advantage. By becoming more sustainable and profitable, customers' loan repayment potential can also be increased.	N/A
Technology Risks	Manual monitoring of some of the processes carried out in our Bank may cause ineffective management of big data.	 1	 3	 3	 Medium	Digitalization processes have been initiated within the scope of effective management of big data in the Bank's internal and external operational processes.	Automation of manual processes can reduce data entry errors and increase operational efficiency. Thanks to big data analytics, credit risk can be reduced by making data-driven decisions in credit risk assessments.	N/A
	The digitalization process may expose the Bank to cyber-attacks and data breaches.	 1	 3	 3	 Short	Security and business continuity practices are strengthened every period and training is provided to raise awareness of information security within the Bank. The systems established with the ISO 27001 Information Security Management System are carried out effectively.	Ensuring a strong cybersecurity infrastructure can increase customer loyalty and satisfaction.	3) Number of Cyber Attacks Realized 4) Number of IT-related System Outages 5) IT-Induced System Downtime (hours)/year





Climate-related Risks and Opportunities

TRANSITION RISKS



Risk Category	Risk Definition	Likelihood	Impact	Risk Points	Term	Risk Mitigating Activity	Opportunity	Key Risk Indicator
Reputational Risks	Inadequate and/or non-fulfillment of the Bank's sustainability commitments may lead to reputational risk.	● 1	●●● 3	▶ 3	⌚ Medium	Emphasis is placed on ensuring that sustainability commitments are realizable, and progress is monitored by the relevant units. Assurance audits are conducted on key performance indicators.	Fulfilling sustainability commitments can increase access to sustainable sources of financing and expand investment opportunities while reducing legal and reputational risks.	6) Sustainability-Focused Target Realization Rate (Number of realized targets/total number of targets)
	Financing projects or companies that have a negative impact on climate change can result in reputational damage and possible financial penalties.	● 1	●●● 3	▶ 3	⌚ Short	Loan requests are evaluated according to the List of Non-Financeable Activities within the framework of the Bank's Environmental and Social Policy, and the projects included in this list cannot be financed by the Bank. If the activities not included in the list are found to be risky as a result of environmental and social assessment, the implementation of adaptation/mitigation actions related to climate change during the loan term is requested in the loan agreement.	The Bank's approach to environmental and social issues helps customers to avoid legal problems in these areas and to take a more robust stance in the face of regulations. This approach supports long-term sustainability, builds a strong corporate reputation, and contributes to the retention of qualified, highly motivated employees.	7) Number of Lawsuits Based on Climate Finance 8) Number of Customers/ Investments Subject to Lawsuits Related to Environmental Issues
	The Bank conducts an Environmental and Social Impact Assessment for each investment and business it finances. In the event of an incomplete assessment of environmental and social requirements, the Bank's reputation may be at risk if a financed investment or business is environmentally and socially unfavorable.	● 1	● 1	▶ 1	⌚ Short	Environmental and social risk assessment processes are double-checked by specialized environmental engineers and social experts. In addition, the assessment methodology is regularly evaluated with the environmental and social teams of the resource provider organizations and improved when necessary. The Sustainability and Environmental Social Impact Management team continuously receives various specialized training in relevant fields.	An understanding of environmental-social impact and strategic sustainability can serve as a guide for other stakeholders in the sector. This approach can facilitate the achievement of our Bank's and our country's sustainable growth and development targets.	9) Number of Environmental and Social Impact Assessments Denied by Resource Provider Organizations
Market Risks	Customers that do not adapt and/or are slow to adapt to the low-carbon economy may have reduced profitability and may pose a credit risk for our Bank.	● 1	●●● 3	▶ 3	⌚ Medium	The Bank supports customers in their transition to a low-carbon economy and shares information and experience on Green Economy and Climate Finance at webinars, seminars, and in chambers of industry and commerce in various provinces of Türkiye.	Support with a focus on low-carbon economy can give the Bank a competitive advantage and strengthen its position in the sector. Activities with various stakeholders can increase opportunities for collaboration.	N/A
	Changes in investors' preferences may adversely affect the market value of stocks and bonds of companies in carbon-intensive sectors such as coal mining, oil, and gas. Our Bank's customers may be adversely affected by declines in the market value of these sectors.	● 1	●● 2	▶ 2	⌚ Medium	By providing thematic funding sources in line with the policy of combating climate change, sustainable financing products are offered to customers. Customers are provided with financial support to pursue more sustainable investment opportunities, as well as advisory services to help them pursue these investments. In addition, there are no coal power plants in the Bank's portfolio.	Offering new products to customers by providing thematic funding sources can enrich the bank's financial product portfolio and provide an opportunity to adapt to changes in the sector.	10) Proportion of carbon-intensive sectors in the portfolio
	As funding agencies shift their resources to green and sustainable projects and companies, access to finance may become more difficult for organizations operating in carbon-intensive sectors.	●● 2	●● 2	▶ 4	⌚ Medium			
	Failure of the Bank's customers to adapt to green transformation may lead to a contraction in the Bank's green and sustainable investment portfolio.	● 1	●● 2	▶ 2	⌚ Long	Within the scope of the thematic funds provided, the Bank focuses on greener and more sustainable investments and aims to increase the proportion of green assets in the portfolio.	Focusing on sustainable and green investments can help attract investors who are sensitive to environmental and social issues. In this way, the green and sustainable investment portfolio can be further expanded.	11) Sustainability-themed loan ratio

Climate-related Risks and Opportunities

PHYSICAL RISKS

Risk Category	Risk Definition	Likelihood	Impact	Risk Points	Term	Risk Mitigating Activity	Opportunity	Key Risk Indicator
Acute Risks (Sudden and severe changes such as hurricanes, floods, and forest fires)	Acute physical risks can impact customers in the loan portfolio by reducing their income, destroying their assets or reducing their asset values. This can lead to delays in loan repayments or defaults by customers.	● ● 2	● ● 2	▶ 4	 Medium	The Bank aims to diversify its loan portfolio in different geographical regions and sectors to increase its resilience against related risks. Within the scope of Environmental and Social Risk Assessment, customers are asked to prepare an Emergency Action Plan, thus helping them to be better prepared for risks and minimize losses.	Ensuring that clients take precautions against acute physical risks limits their impact on the portfolio, improving the overall risk profile and strengthening the bank's financial stability.	12) Default rate 13) Delay rate
	Sudden climate events may lead to the destruction of assets owned or leased by our Bank. This may lead to operational interruptions.	● ● 2	● ● 2	▶ 4	 Short	There is an Emergency and Contingency Action Plan that includes measures to be taken to prevent or minimize the effects of sudden and unplanned interruptions that may occur due to acute risks, in case of emergencies and unexpected situations that may lead to business losses or crises.	Taking a proactive approach in the face of emergencies ensures that the Bank continues to provide uninterrupted service and increases customer loyalty and satisfaction.	14) Number of operational interruptions due to climate events
Chronic Risks (Long-term climatic changes such as changes in global average temperature, sea level rise, and drought)	Climate-sensitive sectors such as agriculture, construction, and tourism may be adversely affected by global climate change. This may lead to an increase in the Bank's credit risk in the related sectors.	● ● 2	● ● 2	▶ 4	 Long	To regularly analyze the impacts of chronic climate change risks, the first Climate Risks Report is planned to be published next year.	Managing climate risks effectively can improve overall profitability.	15) Sector-based loan repayment
	Basic operating costs such as energy, water, and cooling may increase due to chronic climate change.	● ● 2	● 1	▶ 2	 Long	Various training sessions are provided to raise employee awareness on energy and water efficiency. Within the scope of the ISO 14001 Environmental Management System, resource consumption is regularly monitored, consumption data is shared transparently in annual reports, and targets for reduction are set.	Energy and water efficiency training and conservation efforts improve performance in resource consumption and reduce costs.	16) Energy consumption 17) Water consumption

SOCIAL RISKS

Risk Category	Risk Definition	Likelihood	Impact	Risk Points	Term	Risk Mitigating Activity	Opportunity	Key Risk Indicator
Informal Employment	This risk includes illegal, unlawful, or unauthorized employment of refugee and migrant workers in projects to be financed as a result of the migration of qualified personnel due to climate change.	● 1	● 1	▶ 1	 Long	There is a dedicated thematic fund for reducing unregistered employment. To determine the potential and actual employment in the financed investments and projects, an impact assessment matrix is sent, and a Social Security Institution (SSI) Withholding Declaration is requested. In addition, awareness raising training is planned when deemed necessary as a result of monitoring.	Compliance of our Bank and its customers with the relevant regulations is ensured, and positive social impact is ensured to create formal employment.	17) Number of workers in the SSI withholding tax and number of employees at the project facility
Seasonal Workers (due to climate change, drought, etc.)	This risk includes the negative impact on the Bank's reputation due to the presence of seasonal workers in the projects to be financed and the poor temporary accommodation conditions (tents, inappropriate prefabricated buildings, etc.) of these workers.	● 1	● 1	▶ 1	 Long	An impact assessment matrix for the number of people employed seasonally in potential and actual jobs and accommodation conditions of financed investments and projects is sent, and management plans are requested.	Social benefit is achieved by supporting the improvement of the conditions of workers.	18) Number of seasonal workers

Climate Change and ESG Investments

Bank Portfolio and ESG Risk Management

The Development and Investment Bank of Türkiye embraces a systematic approach to effectively manage environmental and social risks.

The Bank both controls direct risks arising from its operational activities and develops comprehensive strategies to minimize indirect risks that may arise in lending processes to achieve a balance between sustainable financing and risk management.

The process of escalating critical issues to the highest level of management is based on a systematic structure at the Bank. Environmental and social risks are identified and presented to the governing body through regular reports and meetings organized by the relevant departments. This process is carried out through both written reports and oral presentations, and special meetings are organized for emergency situations. The governing body oversees sustainability-related risks and opportunities and systematically addresses these issues in strategic planning processes.

The Bank's sustainability targets are set within the framework of long-term strategic plans, and the governing body evaluates the realization potential of these targets at annual meetings.

Risk and opportunity analyses are carried out using regular risk assessment studies and risk management frameworks, and in addition to the current situation, potential future risks and opportunities are also evaluated from a broad perspective.

Our Bank has made environmental and social risk assessments an integral part of its credit processes. Within this scope, environmental and social risks are regularly reviewed in lending processes and measures are taken accordingly to minimize these risks. The comprehensive approach of the Bank aims both to manage the risks arising directly from its operations and to take into account the indirect risks that may arise during lending transactions, enabling a strong balance between sustainable financing and risk management.

In line with these analyses, the governing body makes strategic decisions on the management of environmental and social risks and determines and implements the necessary steps to minimize these risks.



ESG Risk Management Model

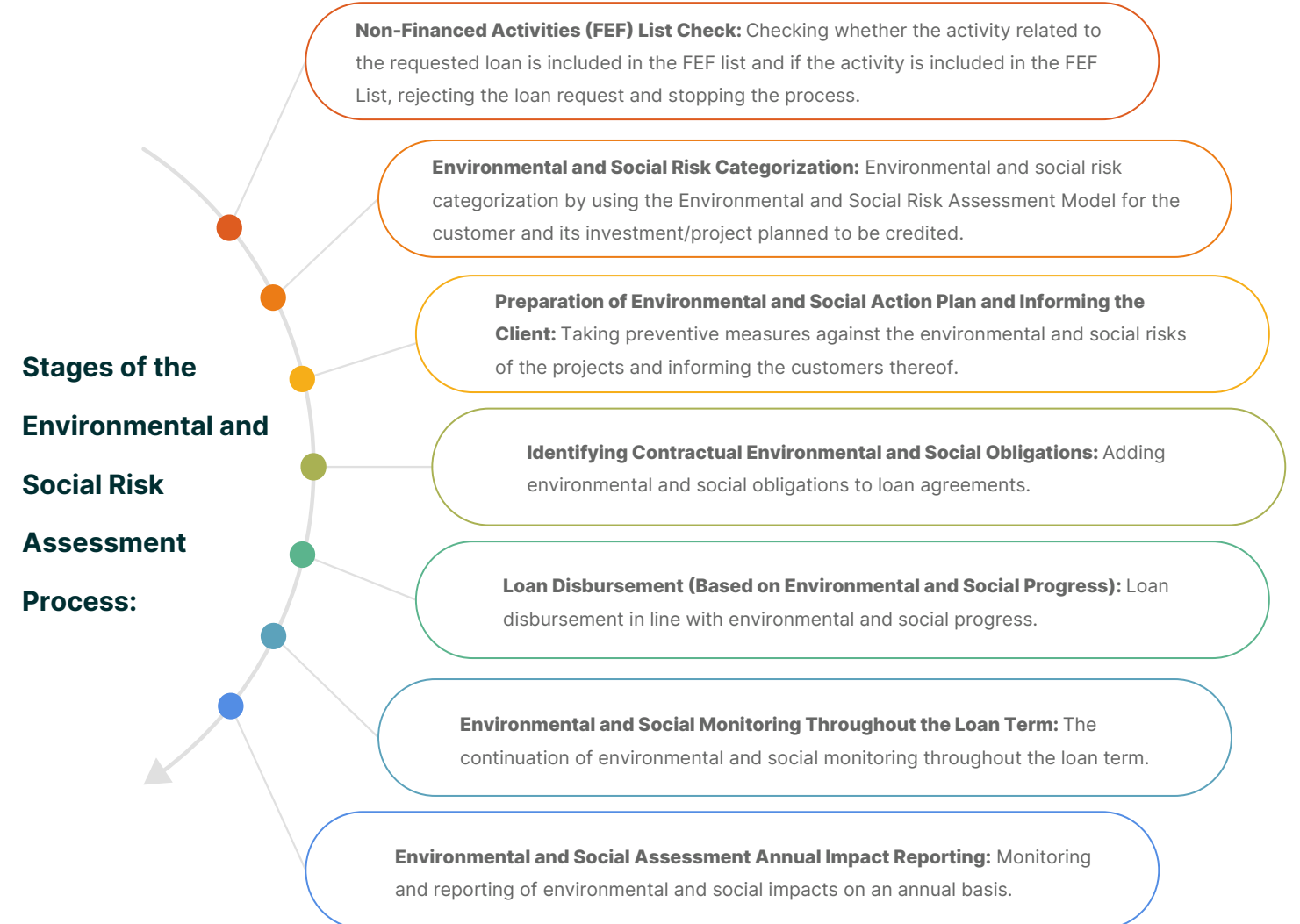
The Bank's ESG risk management model provides a risk-based assessment of existing operations and projects to be financed. The model classifies environmental and social risks into four main risk categories, taking into account the Bank's capacity to manage environmental and social risks and potential impacts on society:



This model takes into account environmental and social risks, as well as the likelihood of these risks materializing and the company's management capacity. This comprehensive risk assessment approach supports the Bank's sustainability goals and maintains the Bank's reputation and position in the sector.

Environmental and Social Risk Assessment and Monitoring Process

The Bank embraces sustainability principles in both its own operations and customer relations by using the "Environmental and Social Risk Assessment Procedure" in the lending evaluation processes. In this process, various units, particularly the Bank's Sustainability and Environmental and Social Impact Management Unit, conduct comprehensive analyses and assessments.



These processes allow the Bank to both achieve its own sustainability goals and provide guidance to its customers in the context of sustainable risk management.

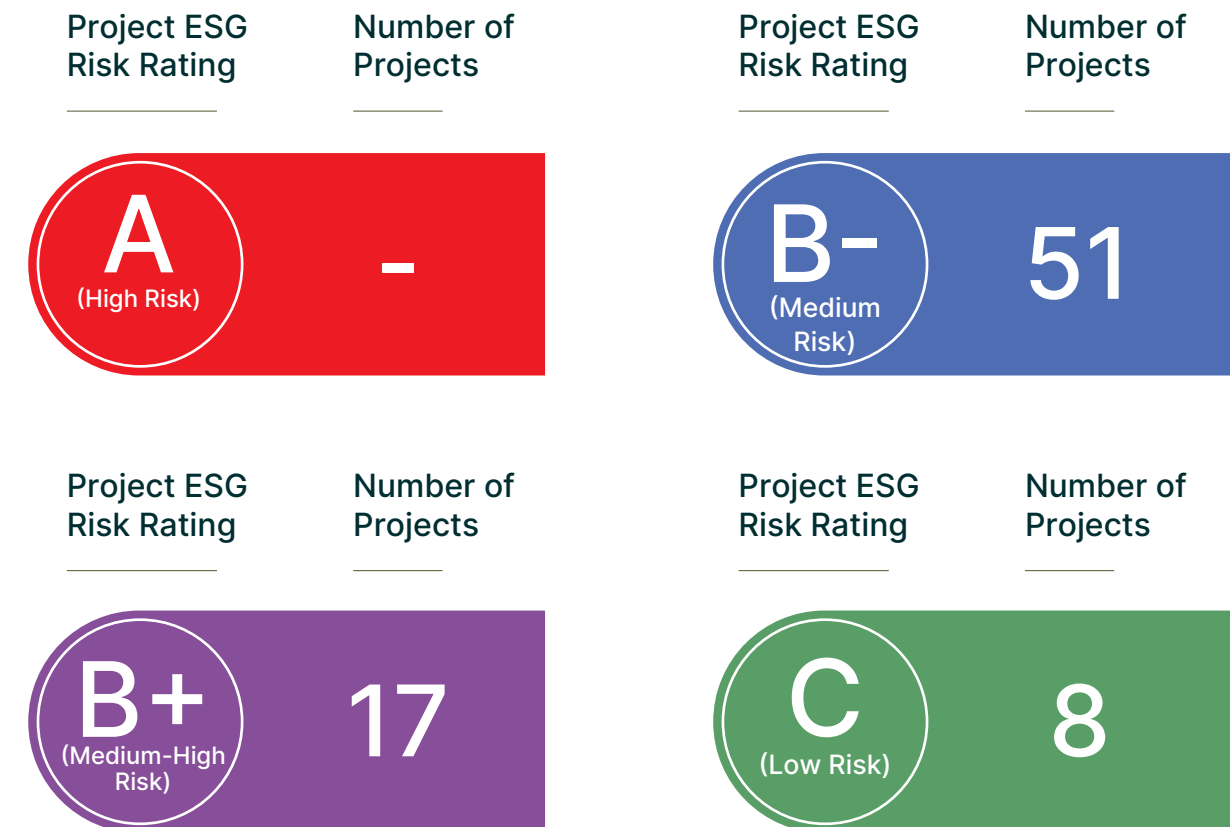
National and International Environmental Legislation

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	

ESG Risk Assessment Results

During 2023, a total of 76 projects were included in the environmental and social risk assessment process. Details on the risk categorization and grading of these projects are presented in the table below:

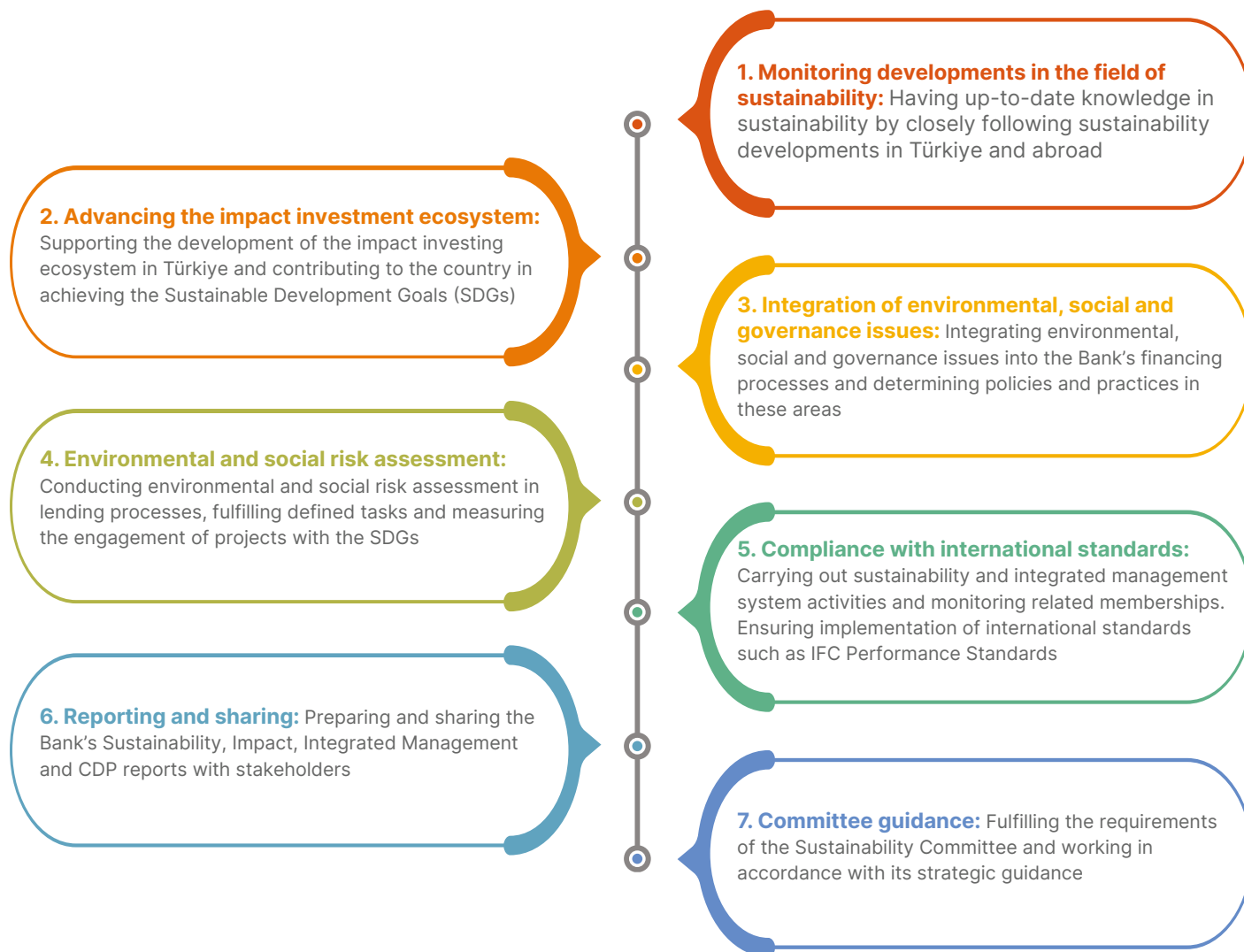


Total: 76 Projects ✓

Investments Based on Social and Environmental Impact

The Development and Investment Bank of Türkiye acts with an approach that considers social and environmental impacts in line with its sustainable development goals. The Sustainability and Environmental Social Impact Management Unit was established to carry out sustainability and environmental social risk management activities in various units of the Bank under a centralized business model in a more efficient and focused manner. This unit supports the Bank's risk management and sustainability commitments by preparing Environmental and Social Risk Assessment Reports for projects in all lending processes.

Working Areas of the Unit and Strategic Activities



The Bank strengthens its international collaborations and improves its impact management systems. In 2021, the Bank became the first and only institution in Türkiye to sign the Impact Management Working Principles prepared under the leadership of the International Finance Corporation (IFC). These principles aim to provide greater discipline, transparency and measurability in activities that generate environmental and social impacts as well as financial returns. At the same time, as a member of the Global Impact Investing Network (GIIN), the Bank promotes impact investing and leads in this field. Since the year it became a member of the Impact Management Code of Conduct, the Bank publishes an assurance audited Impact Report every year and continues to transparently share the social and environmental impacts of its activities with the public.

In 2023, the Development and Investment Bank of Türkiye signed various financing agreements for sustainable development and environmental investments with the World Bank, Asian Infrastructure Investment Bank (AIIB), Japan Bank for International Cooperation, China Development Bank (CDB), Islamic Development Bank, European Investment Bank, German Development Bank and other international financing institutions.

These agreements offer significant financing opportunities in areas such as renewable energy, energy efficiency, climate, food security, SME support. Throughout 2023, these agreements further strengthened the Bank's investment strategies based on sustainable development and environmental impact.

The Bank has made it an integral part of its loan evaluation processes to assess the projects in its portfolio in line with their contribution to the SDGs to measure the intersection of its loan portfolio with the Sustainable Development Goals.

By the end of 2023, 93% of the Bank's portfolio consisted of sustainability-themed loans, and within this framework, more than 2.6 billion USD worth of United Nations Sustainable Development Goals-related loans were disbursed. These efforts enabled the Bank to contribute directly or indirectly to 15 of the 17 Sustainable Development Goals.

Sustainable Financing

The year 2023 marked an important milestone in green finance and sustainability strategies for the Turkish banking sector. During this period, banks took steps to increase their environmental responsibility and integrate sustainable finance practices into their operations. However, the sector faces several challenges, such as aligning the short-term financing structure with sustainability goals and developing more effective methods for identifying and classifying green assets. There is also a need to increase the capacity to analyze climate change. Within this framework, banks are developing and implementing new action plans both to comply with regulations and to achieve their sustainability goals.

The Development and Investment Bank of Türkiye has positioned itself in a leadership role in this transformation process and has increased its efforts to expand its green finance portfolio and integrate sustainability principles into its operations by following global and sectoral innovations. The Bank is a pioneer in supporting Türkiye's vision of achieving net zero emissions by 2053 and is implementing various strategic financing projects towards this goal. In this context, with its commitment to be net zero by 2050, the Bank is taking important steps on its sustainability journey and contributing to a low-carbon future. TKYB's portfolio consists of 83% investment loans, 7% operating loans and 10% APEX loans. **In addition, 58% of the portfolio consists of renewable energy and energy efficiency projects. ✓**

Within this framework, the Bank signed a 100 million EUR climate finance loan agreement and a 10 million EUR grant agreement with the German Development Bank (KfW) on April 6, 2023; a 50 million EUR SME loan with the Black Sea Trade and Development Bank (BSTDB) on September 14, 2023; 100 million USD loan agreement with the Islamic Development Bank on December 5, 2023 to support disaster areas and improve the agri-food sector; and a 200 million USD "Green 4" themed loan agreement with the Japan Bank for International Cooperation (JBIC) on December 21, 2023 to support renewable energy and energy efficiency projects.

Thanks to the steps it has taken within the scope of green finance and sustainability strategies, TKYB has won many awards in the national and international arena. In 2023, TKYB was recognized by International Finance with the 'Best Green Project Financing Bank - Türkiye 2023' and 'Best Sukuk Issuer - Türkiye 2023' awards for Türkiye's first social sukuk issuance. It also won the 'Green Technological Transformation' award at the Global Sustainable Finance Awards 2023 and the 'Best Environmental Social Governance Oriented Development Bank' award at the IJGlobal ESG Awards. The Bank also became the first public bank in Türkiye to receive the Great Place to Work Certificate and reinforced its corporate success by ranking first in the 250-499 employee category in the "Türkiye's Best Employer" and Best Workplaces for Innovation by All™ lists.



Ratio of Climate-
Related SDGs in our
Portfolio
58%✓

The Bank published the Sustainable Financing Framework in 2022 to align its sustainable financing efforts with international standards. This framework is in line with the ICMA (International Capital Markets Association) Green Bond Principles, ICMA Social Bond Principles, LMA Green Loan Principles and LMA Social Loan Principles and is supported by a Second Party Opinion (SPO).

These sustainability-oriented efforts of TKYB contribute significantly to the achievement of a more environmentally and socially sustainable future for both Türkiye and the global economy. These strategic steps strengthen the Bank's green economy vision and support the financial infrastructure necessary to achieve sustainable development goals.



OUR VALUE CREATION MODEL



Our Value Creation Model





















TKYB Value Creation Model

	TKYB Line of Activity	Stakeholder in the Value Chain		Pre-Effects
		Our First Level Value Chain	Our Second Level Value Chain	
 Financial Capital	Türkiye Development Fund (TDF) Development Banking Investment Banking	Development Finance Institutions Customers Development Fund Management	Human Resources Management Project Management Technology Management Infrastructure Management	<ul style="list-style-type: none"> >Financing sources obtained through various funds and international loan agreements >Investments in sustainable development, renewable energy and environmental projects >Effective management of business operations and cost management in line with profitability-oriented efforts, accounting for market risks and opportunities >Investments in digitalization and information security projects
 Intellectual & Manufactured Capital	Development Banking Investment Banking	Auditors and Service Providers Customers Employees	Process Management Technology Management Infrastructure Management	<ul style="list-style-type: none"> >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 Investment Banking	Senior Management Employees Service Providers	Human Resources Management Administrative and Management Support	<ul style="list-style-type: none"> >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 Investment Banking	Civil Society Organizations Employees Senior Management Development Finance Institutions	Human Resources Management Administrative and Management Support Process Management	<ul style="list-style-type: none"> >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 Investment Banking	Development Finance Institutions Customers	Administrative and Management Support Process Management Project Management	<ul style="list-style-type: none"> >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



Our Value Creation Model

TKYB Value Creation Model

	Post-Effects	Value Created	Relevant Material Topics	Impacted SDGs
 <p>Financial Capital</p>	<ul style="list-style-type: none"> >In 2023, 2.6 billion USD worth of loans were granted for sustainable development purposes. >Direct investments in the entrepreneurship ecosystem increased by 167% to reach 300 million TL. >By the end of 2023, sustainability-themed loans accounted for 93% of the total loan portfolio. >In 2023, the Bank's revenues from core business activities increased by 118% to 7,304,770 TL. >Capital adequacy ratio was 16.9%, well above the legal limit of 12%. 	<ul style="list-style-type: none"> >Thanks to its strong financial structure and profitability-oriented strategies, financial stability and growth were achieved. >Investments in sustainable development projects supported economic growth and contributed to environmental sustainability. >Long-term value was created by increasing financial resilience through domestic and international collaborations. 	<ul style="list-style-type: none"> >Inclusive Growth and Financial Performance >Stakeholder Capitalism and Transparency 	   
 <p>Intellectual & Manufactured Capital</p>	<ul style="list-style-type: none"> >9 digital transformation projects completed >6 digital transformation projects ongoing >Digitalization and information security investments, which constitute 39.87% of the 2023 budget > Management systems improvements realized with the following certificates: <ul style="list-style-type: none"> ISO 9001 Quality Management System ISO 10002 Customer Satisfaction Management System ISO 14001 Environmental Management System ISO 27001 Information Security Management System ISO 45001 Occupational Health and Safety Management System 	<ul style="list-style-type: none"> >Digital transformation and information security projects enhanced the Bank's operational efficiency and security. >Improvements in quality management systems supported customer satisfaction and operational excellence. >Sustainable financing strategies enhanced the Bank's market competitiveness and innovative capacity. 	<ul style="list-style-type: none"> >Digital Transformation and Innovation >Cybersecurity and Data Privacy 	  
 <p>Human Capital</p>	<ul style="list-style-type: none"> > A total of 16,892 hours of training for 421 employees >53.3 hours of training per person on average >High proportion of women employees: 41% >Low employee turnover rate: 15.5% >Anti-bribery and anti-corruption training for 85 managers and 301 employees >High employee satisfaction with the Great Place to Work Certificate for the second consecutive year 	<ul style="list-style-type: none"> >High level of education and continuous development opportunities strengthened the Bank's human capital and enhanced employee competencies. >A diverse and inclusive work environment enhanced organizational culture by increasing employee satisfaction and loyalty. >A strong workforce supported the Bank in achieving its long-term strategic goals. 	<ul style="list-style-type: none"> >Employee Development and Wellbeing >Diversity and Inclusion >Ethical Behavior, Human Rights and Anti-Corruption 	    
 <p>Social Capital</p>	<ul style="list-style-type: none"> >Organizing the Goodness Charity Bazaar, and donating the proceeds to children in the earthquake region through Darüşşafaka Association >Donating 1,505 saplings in total through the Income Generating Sapling Project >Collecting donations for Darüşşafaka with 20 employees participating in the Istanbul Marathon >Planting saplings for the 100th Anniversary Republican Forests as part of the "Breath for the Future, Breath for the Republic" campaign on November 11, National Forestation Day 	<ul style="list-style-type: none"> >Social responsibility projects and donations strengthened the Bank's social capital by increasing its positive impact on communities. >Stakeholder trust was enhanced through domestic and international collaborations, and the Bank's contribution to sustainable development goals was reinforced. >Participation in social responsibility projects enhanced the Bank's social impact capacity and reputation. 	<ul style="list-style-type: none"> >Stakeholder Capitalism and Transparency >Diversity and Inclusion >Customer Satisfaction 	  
 <p>Natural Capital</p>	<ul style="list-style-type: none"> >100 million EUR sustainable Eurobond issuance in 2023 for environmental sustainability projects >Contributing to renewable energy projects by financing 6% of Türkiye's energy capacity >4.6 million metric tons of CO2 emission reduction through environmentally friendly projects and green financing >Total amount of funding provided for projects to combat climate change in 2023: 200 million USD >International loan agreements amounting to 400 million USD and 200 million EUR within the scope of commitments to combat climate change and sustainability >Entering the process of developing sustainability targets in line with the Science Based Targets initiative (SBTi) >Reporting environmental and social impacts transparently by actively participating in Sustainability sustainability assessment and GRI reporting 	<ul style="list-style-type: none"> >Investments in renewable energy projects and financing of environmentally friendly projects contributed to the preservation of natural capital and the strengthening of environmental sustainability. >Reducing greenhouse gas emissions through sustainability targets and projects has increased the Bank's contribution to the fight against climate change. >Compliance with international sustainability standards such as GRI and Sustainability and transparent reporting practices increased the Bank's accountability for environmental and social impacts and reinforced stakeholder trust. >Agreements with the Japan Bank for International Cooperation (JBIC) and the World Bank, as well as green financing, strengthened the Bank's international leadership in sustainable financing. >Development of sustainability goals in line with the SBTi further enhanced the Bank's environmental performance and sustainability strategies. 	<ul style="list-style-type: none"> >Climate Change and ESG (Environmental, Social and Governance) Focused Investments 	  

Financial Capital

Sectoral and Economic Developments

Global Developments and Sectoral Expectations

2023 was a period of intense fluctuations in the global economy. Although hopes for economic recovery increased as the effects of the COVID-19 pandemic subsided, geopolitical developments, tensions in the Middle East, and fluctuations in commodity prices caused global trade to grow below expectations. After increasing by 5.6% in 2022, world trade volume grew by only 0.2% in 2023 due to factors such as the slowdown in global activity, tight financial conditions, geopolitical tensions, and climate change.

The main reasons for this slowdown include the Russia-Ukraine war, political developments in the Middle East, supply chain disruptions, and the lack of the expected momentum in the Chinese economy. Moreover, extreme weather events disrupted the supply chain, driving up agricultural commodity prices and leading to a decline in base metal commodities.

Nevertheless, the global economy avoided recession and grew by 3.1% during 2023, thanks to the normalization of consumption in China and the strong performance of the US economy. However, inflation remains one of the main problems of the global economy. Expansionary policies that started during the pandemic and the rise in energy prices pushed global inflation higher. Although advanced economies have tried to contain inflation by implementing restrictive monetary policies, global inflation is still above long-term averages. Although inflation has started to decline due to the tight approach, monetary easing is expected in advanced economies in 2024. The Russian-Ukrainian war, developments in the Middle East, and uncertainties in commodity prices continue to pose upside risks to inflation. This situation has caused central banks to be cautious about interest rate cuts.

According to World Bank data, the ratio of global public debt to GDP, which started to decline after the pandemic, fell to 95.9% by the end of 2022. However, this ratio increased to 97% in the third quarter of 2023 due to the fight against climate change and strategic investments. In 2024, this ratio is expected to increase further due to global public investments and climate change-related expenditures.

For 2024, the global economy is projected to grow by 3.1%. However, the fact that inflationary pressures have not completely disappeared and geopolitical tensions persist may have a dampening effect on growth. The timing of interest rate cuts in advanced economies will be carefully evaluated in light of these risks.

MAIN INDICATORS FOR THE WORLD ECONOMY

Year	2022	2023	2024
Global Growth Rate (%)	3.5	3.1	3.1
Developed Countries Growth Rate (%)	2.6	1.6	1.5
Developing Countries Growth Rate (%)	4.1	4.1	4.1
Global Trade Volumes (% change)	5.2	0.4	3.3
Oil Prices (Dollar, Barrel) (% change)	39.2	-16	-2.3
Global Inflation (%)	8.7	6.8	5.8

(*) Source: IMF World Economic Outlook Report, January 2024



Developments in Türkiye and Sectoral Expectations

Despite the February 2023 earthquake disaster and growing concerns of recession in the global economy, the Turkish economy maintained its growth trend and managed to differentiate itself favorably from its peers. Thanks to supportive economic policies and swiftly initiated reconstruction efforts, the negative effects of the earthquake on economic activity were quickly offset. With the contribution of strong domestic demand, Türkiye outperformed targets by growing by 4.5% in 2023.

In the last quarter of the year, Türkiye's exports remained resilient despite rising geopolitical risks, earthquake-affected export regions, and restrictive economic policies of major trading partners. Exports rose by 0.6% to 255.8 billion USD, while imports declined by 0.5% to 361.8 billion USD. During this period, the foreign trade deficit narrowed by 3.2% to 105.9 billion USD, due to policies supporting exports.



In 2023, the incomplete recovery in global supply chains, shortages in agricultural commodity supply due to extreme weather events, the slower-than-expected recovery of the Chinese economy, and restrictive monetary policies implemented in advanced economies to combat inflation led to price pressures in some sectors. Food, services, and precious metals saw price increases, while energy and base metal commodity prices declined. As a result, annual consumer inflation and producer inflation were realized as 64.8% and 44.2%, respectively.

Due to restrictive monetary policies and measures focused on combating inflation, a significant decline in inflation is expected from the second half of 2024. Despite the challenges in global trade and the economic difficulties of its trading partners, Türkiye's rising exports and shrinking imports will continue to support its economic performance.

MAIN INDICATORS OF THE TURKISH ECONOMY

Indicator	2022	2023	2024 (OVP)
Growth Rate (%)	5.5	4.5	4
Foreign Trade Balance (Billion USD)	-109.5	-105.9*	-105.8
Current Account Balance (Billion USD)	-49.1	-45.2	-34.7
Current Account Balance/GDP (%)	-5.3	-4	-3.1
Travel Revenues (Billion USD)	41.4	47.7	52.5
Change in Consumer Prices (%)	64.3	64.8*	33
Unemployment Rate (%)	10.4	8.9	10.3

*Realized

MTP (Medium Term Program)

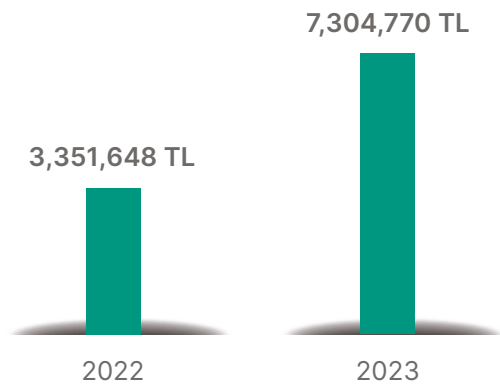
Source: Medium Term Program 2024-2026

Inclusive Growth and Financial Performance

2023 was a year in which Development Investment Bank further consolidated its strong and leading position in the sector. The Turkish banking sector grew by 64%, reaching an asset size of 23.5 trillion TL, in response to global monetary policies and inflationary developments. This growth demonstrates the dynamic structure of the Turkish economy and the robustness of the banking sector despite the uncertainties in global markets.

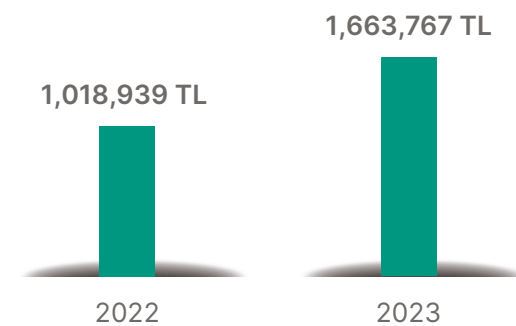
In 2022, the company's total revenues from its core business activities amounted to 3,351,648 TL, while in 2023 these revenues increased by 118% to 7,304,770 TL. This remarkable increase shows that the company's revenues from business operations and the sales of goods and services have increased significantly. This indicates that the company has significantly increased its capacity and efficiency by effectively responding to increasing market demand and reaching a wider customer base.

Total Revenues From its Core Business Activities



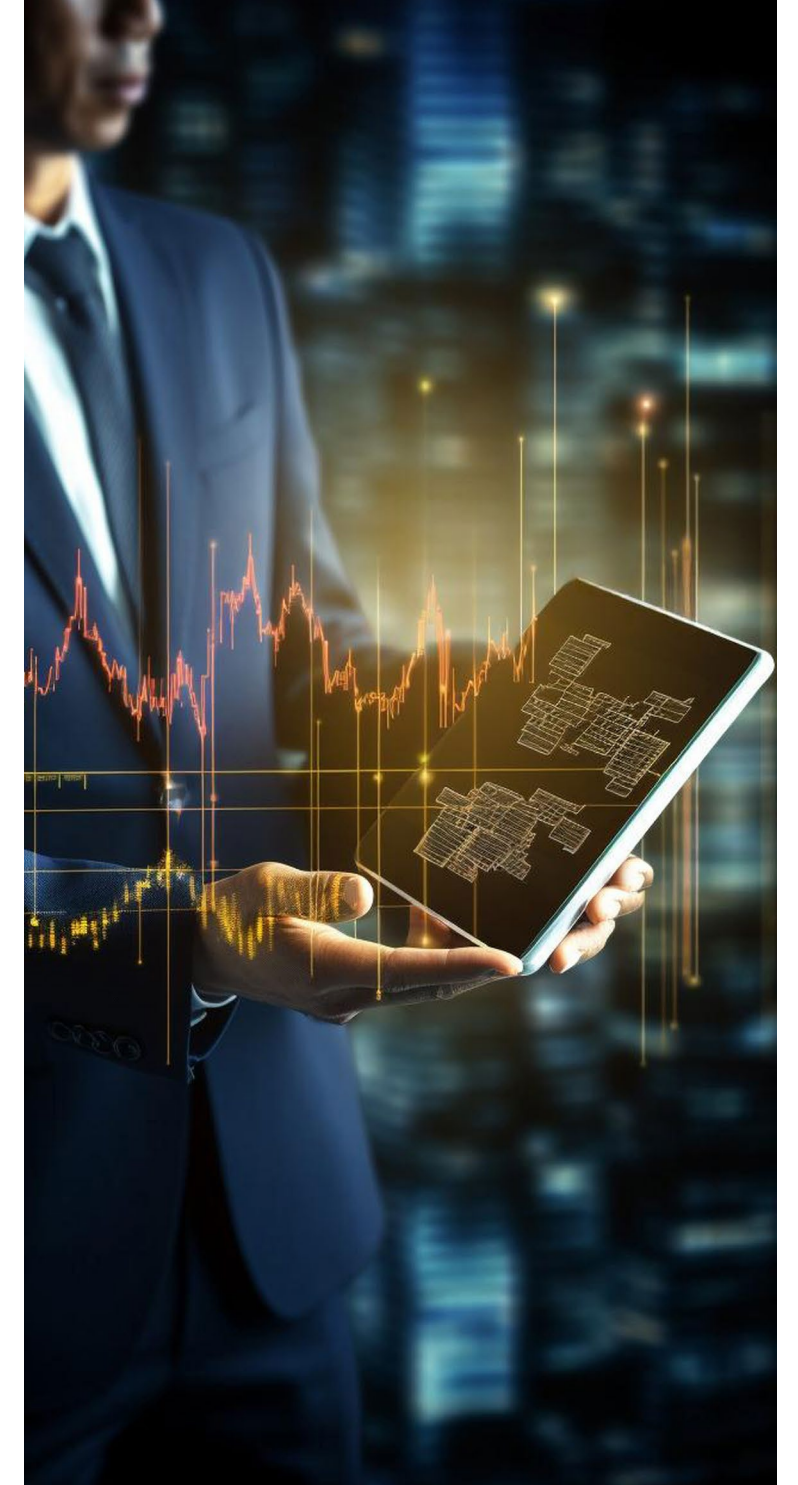
The economic value distributed increased by 63% from 1,018,939 TL in 2022 to 1,663,767 TL in 2023. Distributed economic value includes operating costs, employee salaries and benefits, payments to capital providers, taxes paid to the government, and investments in the community. This growth indicates that the company has increased its capacity to create economic value through its operations by contributing more to its employees, investors, government and society.

Economic Value Distributed



In the banking sector, loans continued to be the largest item on the balance sheet. By the end of 2023, total loans reached 11.7 trillion TL, constituting 49.6% of the sector's balance sheet. This shows that loan growth continues to be strong in the sector. The loan volume of the Development and Investment Banks Group displayed a remarkable performance, growing by 67%, while the Bank's loan stock increased by 39% to 84.2 billion TL.

Across the banking sector, the gross non-performing loans ratio declined to 1.6% at end-2023, representing a significant improvement in credit quality. This reflects the sector's overall success in risk management. The gross non-performing loans ratio of the Development and Investment Banks Group dropped to 0.7%, while the Bank's ratio dropped to 1%. This low ratio shows that our Bank manages credit risk effectively and has a high-quality portfolio.



Inclusive Growth and Financial Performance

2023 was also a remarkable year for the banking sector in terms of profitability. The sector's net profit increased by 39.9% to reach 604 billion TL. This increase demonstrates banks' strong profitability performance and effective cost management. However, there was a 6% decline in net interest income across the sector, which amounted to 718 billion TL. However, the Bank's net interest margin increased from 4.1% in 2022 to 6.5% in 2023. The 64 billion TL foreign exchange loss recorded in 2022 turned into a net foreign exchange profit of 124 billion TL in 2023, providing a significant recovery in the sector. The sector's return on assets declined to 3.2% in December 2023. Although this situation indicates that the profitability ratios in the sector remained under some pressure, it is observed that our Bank's profitability performance is better than the sector average.

The Development and Investment Banks Group consolidated its success in the sector by increasing its net profit for the period by 87.6% during 2023. The Group's return on assets increased from 3% to 3.9%, while our Bank demonstrated a strong profitability performance by increasing its average return on assets to 3.6%.

In terms of capital adequacy, our Bank continued to maintain its strong position. The Development Investment Bank's capital adequacy ratio stood at 16.9% at the end of 2023, well above the legal limit of 12%.

This high capital adequacy ratio confirms that our bank has a strong buffer against risks and that its financial structure is sound.

The Bank's net cost of risk decreased from 1% in 2022 to 0.7% in 2023, reflecting the improvement in credit risk costs. Throughout 2023, the Development Investment Bank reinforced its leadership in the sector with its robust balance sheet structure, effective risk management, and high profitability performance and achieved a strong position for the coming years. This success demonstrates that our Bank is taking decisive steps to achieve its strategic goals and successfully continues its mission to create value for its customers. Our Bank will further strengthen its pioneering role in the Turkish banking sector by maintaining its commitment to sustainable growth and providing innovative financial solutions.



Inclusive Growth and Financial Performance

Economic Performance Management

The Development and Investment Bank of Türkiye implements a comprehensive risk management strategy to support its economic performance and sustainable growth targets. This strategy aims to prevent adverse impacts, manage existing risks, and seize opportunities by addressing various types of risks such as investment, credit, liquidity, strategy execution, and market risks.

Investment Risk Management

Portfolio diversification, risk analysis, and performance evaluation strategies are used to manage investment risk. Diversification manages risks by spreading assets across different investment instruments and sectors. Detailed risk analysis and market research support investment decisions. Risk tolerance limits are set to prevent potential adverse effects and mechanisms are established to prevent exceeding these limits. Actual negative impacts are managed through regular portfolio reviews and necessary corrective measures. For current and potential positive effects, investment opportunities with high return potential are evaluated and strategic investment opportunities are pursued by analyzing market trends.

Credit Risk Management

In credit risk management, risks are minimized by applying comprehensive risk assessments and credit analyses. Credit policies and limits are determined, and the repayment capacity of borrowers is meticulously evaluated. The performance of loans is monitored for realized negative impacts, and restructuring or collection strategies are implemented when necessary. Potential positive impacts on the loan portfolio are managed through strategies that encourage loan opportunities with high performance and strong repayment capacity.

Liquidity Risk Management

To manage liquidity risk, liquidity management strategies are continuously updated, and systems that monitor instant liquidity status are used. Sufficient resources are maintained, and contingency plans are created to protect against possible adverse effects. Liquidity problems are managed through short- and long-term funding strategies.

Strategy Execution Risk Management

To manage strategy execution risk, strategic plans are regularly reviewed, and performance measurement criteria are determined. Action plans are developed to support the realization of strategic objectives in order to prevent potential negative impacts. For actual negative impacts, strategy implementation processes are analyzed, and necessary corrective measures are taken. Successful strategies are expanded, and innovative strategy opportunities are evaluated for existing and potential positive impacts.

Market Risk Management

To manage market risk, risk management systems that monitor market conditions are used, and market risks are continuously analyzed. In case of realized market risks, risks are assessed, and risk mitigation strategies are implemented. Market trends are analyzed for current and potential positive effects, and strategies are developed to seize market opportunities.

Monitoring and Evaluating the Effectiveness of Actions

A comprehensive monitoring and evaluation process is carried out to monitor the effectiveness of actions taken to manage economic performance. This process includes the methods used, targets and performance indicators set, and the integration of lessons learned into operational policies and procedures.

Regular performance evaluation meetings are held to monitor the effectiveness of the actions and analyze the extent to which the strategic objectives set in these meetings have been achieved. Performance monitoring systems and reporting tools collect data that measure the impact of actions; through these systems, KPIs (Key Performance Indicators) and other performance measures are monitored, and the success of actions is objectively evaluated.

Targets and Performance Indicators

Specific targets are set for each risk type, and the degree of achievement of these targets is measured through various KPIs. For example, target return rates and risk levels are monitored for investment risk, loan repayment rates and non-performing loan ratios for credit risk, liquidity ratios and contingency funds for liquidity risk, realization of strategic objectives for strategy execution risk, and market volatility indicators for market risk.

Lessons Learned and Integration

Lessons learned from the data and analysis obtained during the monitoring process are integrated into operational policies and procedures. Weak points and examples of successful practices that are identified during performance evaluation meetings lead to a review of existing policies and procedures and updates when necessary. These lessons are used to make future action plans more effective and are recognized as part of continuous improvement processes. In addition, lessons learned are addressed in training and information sessions, which are organized to share knowledge and disseminate best practices across the entire organization.

As a result, the Development and Investment Bank of Türkiye carries out a comprehensive performance monitoring and evaluation process to monitor the effectiveness of the actions taken. These processes aim to assess the success of the actions with objective criteria and ensure the integration of lessons learned into operational policies and procedures.

Human Capital

Human capital represents the collective knowledge, skills, abilities, and experiences of individuals working in an organization. These values that employees bring to their work are a reflection of their intellectual and personal characteristics and can be further developed through training. Therefore, human capital is critical to an organization's performance and success. In assessing human capital, the Development and Investment Bank of Türkiye considers not only the economic contributions of employees, but also sociological and psychological factors. This broad perspective has an impact on today's economic processes. The power of human capital emerges as a result of these interactions and ensures the efficient use of resources and the successful execution of socio-economic activities.

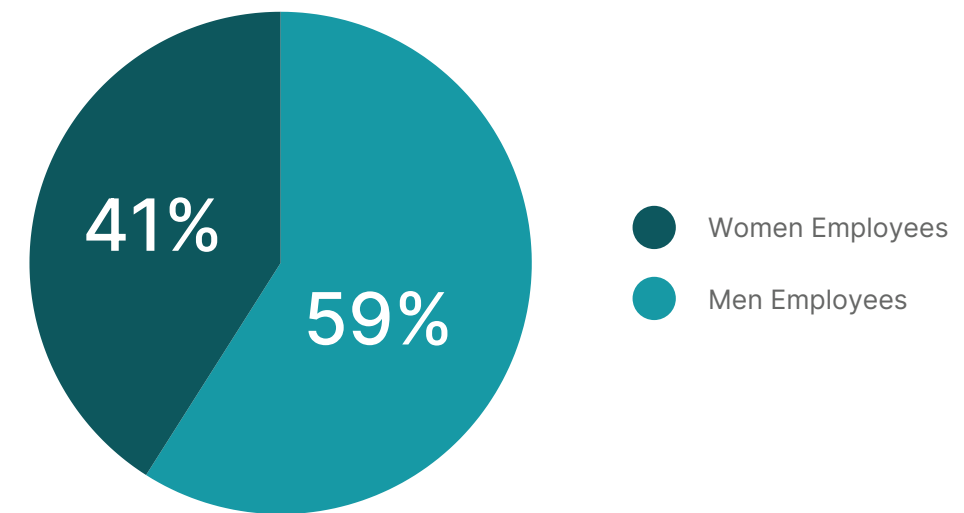
In addition, with our Green Human Resources Policy, which is the first such policy published by Turkish financial institution, our Bank commits to:

- ▶ Use human resources policies to promote the sustainable use of resources and ensure environmental sustainability,
- ▶ Develop a system to equip employees with a green consciousness, implementing the system effectively and making the organization greener,
- ▶ Create and maintain a green workforce that can understand and evaluate the green culture in the organization.

In 2023, the Development and Investment Bank of Türkiye continued its efforts to strengthen its human resources in line with its growth targets and increased the number of its employees by 9.2% year-on-year to 331. This increase reflects the Bank's commitment to building competent human resources in line with its strategic growth plans.

Number of employees compared
to the previous year
increased by 9.2%.

Approximately 59% of employees are men and 41% are women. The increase in the proportion of women employees, which was 39% last year, is an indication of the importance TKYB attaches to women's employment. There was no change between 2022 and 2023 in the number of women and men employees among senior managers, with 4 managers of each gender continuing to serve. In mid-level managers, the number of women managers increased from 16 to 18. By increasing the ratio of women employees, the Bank supports diversity and inclusion in the workforce and aims to create equal opportunities for all employees .



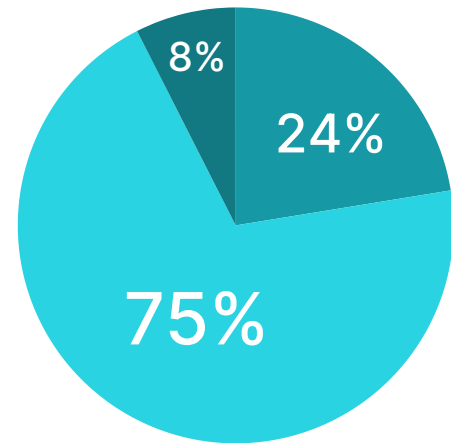
The Bank employs all its personnel operating in Türkiye on a full-time basis and contributes to sustainable human resources management with this approach. In addition, the Bank has 30 employees working as subcontractors. These employees work in services such as catering, cleaning, and driving and meet the operational needs of the Bank. This supports TKYB's objective of making an economic contribution to society by creating direct and indirect employment.

Diversity and Inclusion

The Development and Investment Bank of Türkiye is committed to providing its employees with a fair, inclusive, and sustainable working environment by basing its human resources policy on the principle of equal opportunity. The Bank's human resources policy is based on the principle of equal opportunity in career management and remuneration processes and aims to provide fair and equal opportunities in all processes such as recruitment, training, performance evaluation and talent management. To this end, the Bank creates a working environment independent of personal characteristics such as religion, language, race and gender and encourages employees to progress in a safe work environment.

The Bank has adopted an **Equal Opportunity Policy** in line with the fundamental principles of the International Labor Organization (ILO) and the Sustainable Development Goals of the United Nations, and this policy is based on domestic and international conventions.

As of 2023, the age distribution of employees also reflects the importance it attaches to diversity. 24% of employees are under the age of 30, 75% are between the ages of 30 and 50 and 8% are over 50. This age distribution demonstrates the value the Bank places on young talents and its determination to benefit from the know-how of experienced professionals.



- Ratio of Employees Between the Ages 30-50
- Ratio of Employees With Age Below 30
- Ratio of Employees With Age Over 50

With an approach that supports environmental sustainability, prioritizes occupational health and safety, and fully complies with legal requirements, the Bank supports the development of its employees and their continuous progress with an approach open to change. The Development and Investment Bank of Türkiye considers the creativity of its competent human capital as the most important asset in achieving its goals and uses this capital to continuously develop technology and expertise.



The Bank pays special attention to gender equality by providing an inclusive working environment where employee rights and human rights are respected. Encouraging women's employment, the Bank believes that sustainable development can be achieved with more women in the labor market. Accordingly, the Bank implements policies that take into account the balance between men and women and emphasizes the importance of women's employment.

Operating in Istanbul and Ankara, the Development and Investment Bank of Türkiye ensures equal opportunity based on merit in recruitment, performance evaluation, career planning, training, and development processes. To protect and monitor equal opportunity, internal promotions and job changes are based on certain standard criteria. These criteria include experience, work performance, competency assessments, exams, and interviews. Performance evaluations are also organized to include these criteria, and the Development and Investment Bank of Türkiye fully complies with the Human Resources Regulation and relevant legal regulations.

The Bank's Supplier Code of Conduct also covers a wide range of issues, including workplace standards, health and safety, remuneration, freedom of association, prevention of forced or compulsory labor, prohibition of child labor, and prevention of discrimination, harassment, and abuse. The Bank expects full compliance with these principles from its suppliers and considers this compliance to be a fundamental requirement for the continuity of partnerships.

In conclusion, the Development and Investment Bank of Türkiye strictly adheres to the principles of equal opportunity and non-discrimination in human resources management, provides a fair and inclusive working environment for its employees and conducts its business processes in line with these principles. The Bank has not encountered any cases of discrimination and has zero tolerance for illegal practices such as forced or compulsory labor. The Bank does not employ child labor and adopts a business culture that respects the rights of its employees.

Employee Development and Welfare

Our Bank recognizes human resources as the most important asset and carries out various policies and practices in this regard.

Development Investment Bank adopts a working culture that meets the expectations of stakeholders, values its employees, is open to development, uses all its resources effectively and efficiently, is sensitive to the environment and to occupational health and safety, and complies with quality standards and legislation. In addition, activities are carried out with an understanding that continuously improves business technology and skills and draws strength from the creativity of employees.

In this context, the Bank attaches great importance to the principle of equal opportunity in recruitment and diligently works to recruit, train and develop a qualified workforce that is in line with the Bank's vision and mission and has the competencies required by the job. The recruitment of new graduates is supported by the mentoring of experienced employees, thus enabling the training of a qualified workforce that will contribute to the development of the country.

A working environment that allows employees to use all their skills is created and development-oriented practices are implemented to increase employee satisfaction in terms of benefits. To this end, the welfare of employees is enhanced by providing benefits such as meal cards, private health and life insurance, paternity leave, and bonuses. Life insurance is provided for bank employees, while health insurance is offered to all bank employees and subcontractors' dependents. In addition, Social Security Institution (SGK) and Private Pension System (BES) payments are made within the scope of legal obligations.

To ensure the continuity of the workforce and retention of employees, training and development programs are organized for all levels. Orientation programs are implemented to facilitate the rapid adaptation of new personnel joining the Bank. Employees' opinions and suggestions are collected through regular surveys, satisfaction levels are monitored, and necessary actions are planned. In this process, motivational activities and internal communication events are also organized to increase employee loyalty.

Turnover rates are regularly monitored in different segments and action plans are formulated in light of this data. Due to favorable working conditions, there are no significant fluctuations in the number of employees.

Between 2022 and 2023, the employee turnover rate decreased from 18% to 15.5%, demonstrating the effectiveness of these efforts.

Great
Place
To
Work®

To increase employee loyalty and satisfaction, an Employee Engagement Survey, Internal Customer Satisfaction Survey, and Great

Place to Work® (GPTW) Survey are regularly conducted and improvement steps are taken in line with the feedback received. The Great Place to Work® Institute is an international research and consulting organization that focuses on corporate performance, workplace culture and employee engagement. It is based on the principle that companies that emphasize leadership, a positive workplace culture and employee well-being are more likely to attract and retain top talent. This, in turn, increases the productivity and profitability of companies. The Bank's GPTW Survey is conducted within the framework of these international standards to certify companies with high levels of employee happiness and engagement, and makes a significant contribution to improving workplace culture.

The Development Investment Bank continued its success in 2023 and received the Great Place to Work Certification for the second consecutive year. This prestigious certificate once again proves internationally that our Bank offers a high standard working environment and achieves success by prioritizing the happiness of our employees.

An Internal Customer Satisfaction survey was conducted for the first time at the Bank by an independent organization with international standards. As a result of the survey completed with the participation of 91% of the Bank's employees, the Internal Customer Satisfaction Index was determined as 82. As a result of the survey evaluation, our Bank was found to have a high level of satisfaction in terms of the internal customer satisfaction index and service criteria, and the score obtained was above the banking sector comparison. Action plans are in place to maintain the successful performance achieved.

As a result of the survey completed with the participation of 91% of the Bank's employees, the Internal Customer Satisfaction Index was determined as 82.

Career and Performance Management

In 2023, 421 employees received training, and a total of 16,892 hours were spent on these training sessions. ✓

TKYB has adopted a comprehensive training strategy within the framework of the Training Management Procedure to support the individual and professional development of its employees. This procedure supports organizational development in line with the Bank's goals and policies and aims to create a culture of continuous learning that encompasses all employees. This procedure covers processes such as determining the principles and methods of training activities, identifying training needs, planning, conducting and evaluating training programs, and keeping training records.

At the end of the year, next year's training plans are shaped in line with the opinions and demands of all managers, and unit-specific vocational and technical training needs are determined with feedback from the senior managers of the relevant unit. These plans are put into practice through development programs designed by Human Resources, and the training programs determined based on the needs analysis as a result of periodic interviews with the units are implemented.

In parallel with the annual training plans, regular reports are prepared, and necessary actions are taken by monitoring the budget in line with these reports. In addition, to measure the efficiency of training programs, opinions and comments are collected from employees through a training evaluation survey.



As of 2023, the Bank's training programs are presented in various categories aimed at improving the knowledge and skills of employees. In this context, comprehensive training programs were organized in areas such as environmental management, OHS, ethics, technical and personal development, and anti-corruption.

In 2023, training was organized under 290 different topics and the average training hours per person was 53.3 hours. ✓

Most of the training programs were offered in online and classroom formats. Mandatory training programs were made accessible and completed for all employees through the online training platform. In addition, memberships to various online training platforms with high international recognition were obtained and customized training programs were offered according to the needs of the units.

Various certification programs were organized at our Bank to support the career journeys of our employees. The Corporate Sustainability Expertise Certificate Program, implemented in cooperation with the Turkish Capital Markets Association (TCMA), provided certification to 38 employees.

In addition, a detailed one-month training program covering technical and personal development training was offered to new graduates who started working as assistant specialists. Our Bank continuously supports employee development by meeting the certification processes required for specific tasks with the opinion and approval of the managers.

Leadership Development Programs organized for managerial staff continued in 2023. Attended by 24 managers, this program, which was designed in a modular structure and lasted approximately three months, was supported by one-on-one coaching interviews. Coaching services were provided to enable participants to lead themselves and their teams.

Career and Performance Management

Various title-specific training programs are organized throughout the year to improve the skills of employees. In addition to unit-specific vocational and technical training, long-term training programs are also implemented.

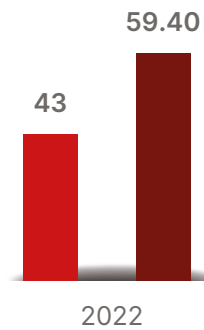
For example, development-oriented programs are implemented, such as the MT Training Program for employees starting as Assistant Specialists, the Micro MBA Certificate Program for senior employees, and the Leadership Development Program for managers and directors. There are also programs such as catalogue training and the Sustainability Certificate Program organized for the general public. Apart from these, all compulsory training and personal development training for skills are offered through the LMS (Learning Management System).



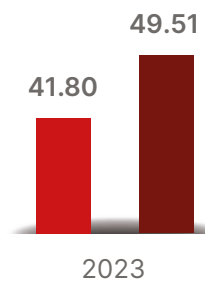
The 2023 data on training duration shows a significant increase in the number of training programs offered to women and men employees and management staff. Compared to 2022, the average training duration for women employees increased from 43 hours to 59.40 hours, while for men it increased from 41.80 hours to 49.51 hours.

The training provided to management staff is also noteworthy in this context. The number of hours of training provided to senior management employees increased from 7.80 hours to 32 hours, a nearly four-fold increase. Similarly, training hours for middle management also increased significantly, rising from 28.40 hours to 36 hours.

Average Training Duration for Women Employees



Average Training Duration for Men Employees



This comprehensive training management process constitutes an important part of the Bank's efforts to develop human resources to support the achievement of its strategic goals. Training activities encourage the continuous development of employees and add value to the Bank's overall performance.



Career and Performance Management

Remuneration Policy

TKYB has a comprehensive Remuneration Policy approved by the Board of Directors. This policy aims to ensure a fair and measurable remuneration system among employees by adopting a task-based remuneration approach and ensures compliance with the Bank's risk principles.



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

In addition to individual performance evaluations, the Bank maintains a balanced remuneration system that encourages sustainable success, taking into account general macroeconomic conditions, the inflation rate and trends in the sector.

The increases to be applied to personnel salaries and the salary scale are determined by the Board of Directors, and the Remuneration Committee consisting of two independent members plays an important role in this process. The Remuneration Committee convenes once a year to review remuneration policies and evaluate the reports prepared as a result of market research. In light of these evaluations, the Bank's remuneration policies are determined, and necessary arrangements are made.

Within the scope of the Bank's remuneration policy, in addition to monthly salary payments, employees are paid bonuses amounting to one salary in March, June, September and December. In addition, performance-based bonus payments are made once a year.

Safe and Healthy Work Environment

The Development and Investment Bank of Türkiye adopts a comprehensive and risk-oriented strategy in the areas of quality, environment, and occupational health and safety within the scope of the Integrated Management System. The Bank aims to identify and effectively manage potential risks in all business processes, minimize environmental impacts, and ensure occupational health and safety at the highest level. To this end, preventive and corrective actions are taken to protect the health and safety of employees, regular training programs are organized to promote a culture of occupational safety, and business processes are continuously audited.

All newly recruited personnel receive basic occupational health and safety training following orientation training provided by the authorities at the workplace. In addition, the suitability of the personnel for the job is assessed through an entrance examination, and OHS risk assessments are carried out continuously from the recruitment process. This approach aims to ensure that employees are compliant both physically and with regards to occupational safety.

In 2023, the Bank provided a total of 368 hours of occupational health and safety training to women employees and 568 hours to men employees, totaling 936 hours.

Our Bank rigorously applies the hierarchy of controls to eliminate hazards and minimize risks in the field of occupational health and safety. This process includes identification of potential hazards, implementation of engineering and occupational safety controls, integration of management policies, and use of personal protective equipment.

The OHS Committee consists of a workplace physician, an OHS specialist, and six Bank employees and is managed by the Head of the Human Resources Management Department. The Head of the Department submits reports directly to the Assistant General Manager. The Board meets regularly to identify potential risks and develop solutions, and the decisions taken are shared with all employees.

In addition, employees' health conditions are closely monitored, and treatment support is provided if necessary. Great importance is attached to protecting employees against physical and psychosocial risks. The most common types of injuries at our Bank are slips, trips, falls, and ergonomic injuries due to prolonged computer use. These injuries



are among the important risks that must be carefully managed and prevented through occupational health and safety measures. In addition to physical injuries, the effects of psychosocial factors such as stress, workload, and emotional exhaustion on employee health are accounted for; stress management and psychosocial support services are provided against

such risks. Employees are actively involved in processes by participating in regular training and information programs; training is provided on the correct use of safety equipment to prevent occupational accidents. In our Bank, the main types of work-related diseases that are prominent for employees are generally not associated with occupational diseases.

TKYB effectively manages the processes for employees to ensure their own safety. These processes allow employees to learn how to protect themselves by recognizing hazardous situations that they may encounter on the job or in the workplace in advance. First, the Bank regularly organizes occupational health and safety training to teach employees how to recognize potential risks, use safety equipment correctly, and how to act in emergencies. Second, the Bank provides employees with the personal protective equipment necessary to perform their jobs safely and encourages their correct and effective use. Third, the Bank develops emergency procedures and teaches employees how to react in case of fire, evacuation or other emergencies. It also seeks employees' views on occupational health and safety and collaborates with them to improve these processes.

Safe and Healthy Work Environment

Emergency scenarios are reviewed regularly every year and updated through drills. Drills are conducted to assess the effectiveness of emergency action plans, measure the level of preparedness of response teams, and ensure that employees experience emergency procedures. Improving crisis management capabilities has been identified as a strategic priority for the Bank. The OHS specialist ensures that necessary measures are taken by reporting occupational accidents in detail and contributes to the Bank's goal of creating a healthy and safe working environment. The role of the OHS specialist is not only limited to assessing risks and taking necessary measures to prevent occupational accidents, but also includes tasks such as leading emergency management and ensuring effective coordination in times of crisis. During the reporting period, there were no high-significance injuries. In 2023, the Bank recorded a total of 3 cases of occupational accidents.

There are no temporary employees or external employees under the control of the Bank. However, there are subcontracted employees other than the current employees in our Bank and these subcontracted employees are also included in the OHS Management System.



TKYB actively involves its employees in the development and evaluation of the Occupational Health and Safety Management System. Employee participation and consultation mechanisms are of great importance in this process. First of all, the Bank's employees who take part in the OHS Committee contribute to the improvement of the process by sharing their in-house experience and expertise on occupational health and safety.

The Bank has adopted specific policies and processes to encourage employees to report work-related hazards and protect them. These policies and processes aim to ensure that employees work in a safe work environment. Employees are encouraged to report any potential hazards or risks to authorized persons immediately before or during work. To manage these processes effectively, the Bank provides regular training to employees and informs them on how to identify and report hazards.

TKYB ensures that its employees operate in a safe and healthy working environment by adopting

ISO 45001 Occupational Health and Safety Management System. This system aims to identify hazards, assess risks, and continuously improve occupational health and safety. In addition, the Bank has a set of policies and processes in place where employees can report hazards anonymously or by name. These reports are quickly evaluated by the occupational health and safety team, and necessary corrective or preventive measures are taken. This approach not only enables employees to do their jobs safely, but also encourages everyone in the workplace to actively contribute to the culture of safety. Thus, our Bank aims to both protect the health and safety of its employees, as well as to continuously improve its occupational health and safety performance through a management system that complies with ISO 45001 standards.

The Bank works in close partnership with its suppliers and business partners, organizes training to help them improve their OHS standards, and monitors and evaluates their performance. The Supplier

Code of Conduct covers a wide range of topics such as health and safety, wages and working hours, freedom of association, prohibition of forced labor, and prevention of child labor, discrimination, harassment and abuse. Suppliers are expected to fully comply with these principles, and this requirement is recognized as a fundamental condition for the continuity of partnerships.

The Bank also offers voluntary health promotion programs to employees for non-work-related issues. To facilitate access to these services, the Bank regularly organizes events to raise health awareness and provides training on health issues. The Bank offers a wide range of health services through its health clinics and the health insurance it provides. These services include routine health checks, examinations, and treatment, as well as programs such as chronic disease management and health education. The Bank aims to protect and improve the health of its employees by regularly organizing health campaigns and information events.

Natural Capital

Energy and Emissions Management

The Development and Investment Bank of Türkiye takes important steps towards achieving its sustainability goals and uses advanced monitoring systems to monitor and manage greenhouse gas emissions from its operational activities. These systems are used effectively to identify emission sources, track changes and evaluate the process of achieving the set targets. The Bank sets specific targets by making regular measurements to increase energy efficiency and reduce resource consumption.

Our Bank aims to make significant improvements in energy efficiency and in this regard, it encourages energy savings by carrying out activities on existing supply chains.

The Bank develops supportive measures for real sector companies to optimize their energy use and aims to raise sustainability standards throughout the supply chain.

The Bank promotes best practices in energy management and resource utilization in close cooperation with its suppliers. The Bank also organizes regular training programs, seminars, and workshops to raise awareness about sustainable energy and encourage conscious energy use. In this way, the Bank aims to increase the level of knowledge of both employees and society.

The Bank has an ISO 14001 Environmental Management System and within the scope of this system, newly recruited employees are obliged to receive Environmental Management System training during the orientation process. In addition, existing employees must complete this training periodically every year.

Developing strategies to reduce greenhouse gas emissions through digital solutions and programs, TKYB also supports innovative practices in this area.

The Bank prevented a total of 4.6 million metric tons of greenhouse gas emissions through the projects it financed.

In line with the targets and KPIs set by our Bank, emission and energy efficiency rates are continuously evaluated, and actions are taken in these areas according to the results observed.



Energy and Emissions Management

If the Bank falls behind the targets set during the reporting year or a negative trend is observed in KPIs, the Bank reviews its operational policies and strategies and makes the necessary adjustments. All consumption data are monitored, reported and verified as Scope 1, Scope 2, and Scope 3.

The actions taken by the Bank are monitored by the following KPIs. In 2023, these KPIs were observed as follows:

- GHG emission intensity trend (3-year)
- Electricity consumption
- Natural gas consumption
- Water consumption
- Paper consumption
- Amount of waste (sorted and sent for recycling)
- Installed capacity of renewable energy projects financed in 2023
- By the end of 2023, share of TKYB in Türkiye's renewable energy capacity (%)
- Ratio of SDG-linked loans to total portfolio as of end-2023 (%)
- SDG-linked loans disbursed in 2023
- In 2023, percentage of climate and environment-related SDG-linked loan portfolio to total portfolio (%)
- Number of projects for which environmental and social risk assessments were conducted in 2023
- 2023 ratings of projects for which environmental and social risk assessments were conducted
- Amount of financing provided for renewable energy in 2023
- Annual tCO₂ emissions prevented by financed renewable energy projects in 2023



The basic method used by the Bank in the calculation of greenhouse gas emissions is based on multiplying the defined activity data by appropriate emission factors. This method is best suited to the available operational data and aims to obtain accurate, consistent, and harmonized results by minimizing the uncertainty of the results. The year 2023 was chosen as the base year for the calculation because in the calculations for the year 2023, all APEX loans were considered as Business Loans and included in the calculation due to the lack of detailed data on APEX loans included in the inventory under the Project Finance category

in the emissions from financed investments.

TKYB's greenhouse gas emission inventory is prepared with the emission factors and global warming potentials published by the Intergovernmental Panel on Climate Change (IPCC). This inventory is prepared to meet the reporting requirements of the ISO 14064-1:2019 "Greenhouse Gases - Part 1: Guidelines and Specifications for Establishment-Level Calculation and Reporting of Greenhouse Gas Emissions and Removals" standard. The GHG emission inventory of TKYB's activities is calculated in accordance with the GHG protocol.

The entire Bank's portfolio has been subjected to an independent verification process.

For the calculation of the reduction in energy consumption, the year 2022 was chosen as the base year. The reason for this preference is that, in accordance with the ISO 14064 standard, 2022 has been selected as the base year in order to provide healthier benchmarking data. In this way, more accurate and reliable results will be obtained by comparing energy consumption reduction targets and performances with past data.

³ Scope 3 emissions include indirect greenhouse gas emissions from transportation, indirect emissions from products or raw materials used by the organization, indirect emissions from the use of products, and other indirect emissions along the supply chain. In addition, in the calculation of direct greenhouse gas emissions, the "Tier 1" approach specified in the "2006 Good Practices Guide and Uncertainty Management in National Greenhouse Gas Inventories" document of the Intergovernmental Panel on Climate Change (IPCC) was applied. In the calculation of energy-related indirect GHG emissions, the "Tier 2" approach was preferred by using Türkiye-specific data. In addition, emission factors determined by DEFRA (Department for Environment, Food & Rural Affairs) were also included in these calculations. PCAF (2022) "The Global GHG Accounting and Reporting Standard Part A: Financed Emissions" methodology was applied to calculate the emissions from the Bank's portfolio. Emission factors are provided in carbon dioxide (CO₂) equivalents and greenhouse gases other than CO₂ (CH₄, N₂O, CFC, HCFC, HFC) are calculated separately and converted to CO₂ equivalents. This conversion is carried out by multiplying the emission amount of each greenhouse gas by the global warming potential of that gas.

Energy and Emissions Management

The electricity consumed within the scope of office activities and support services carried out in the TKYB's service building is considered as a Category 2 greenhouse gas source since it is under the control of the Bank. Scope 1 and Scope 2 greenhouse gas emissions are calculated by collecting data such as natural gas, electricity, and other energy consumption in the TKYB's building, the use of the emergency generator that is activated in case of possible power outages, fuel consumption of vehicles, leaks in refrigerants, and filling amounts. In addition, Scope 3 greenhouse gas emission inventory is created by compiling various data such as purchases of goods and services, paper, energy and water use, waste, business travel, postal and cargo shipments, fixed assets, capital goods, fixtures and portfolio emissions.

The Bank's primary objective in reducing greenhouse gas emissions is to reduce natural gas, electricity and water consumption in the service building. Resources such as natural gas, electricity, and vehicle fuel consumption are directly related to routine activities and stand out as areas where savings can be made for emission reduction. For this purpose, CO₂ emissions from both company vehicles and service vehicles are reported in emission calculations.

In addition, within the scope of the Bank's carbon management, greenhouse gas emissions within Scope 2 are neutralized with the I-REC clean energy certificate.

The Bank continues its efforts to take action on electric vehicles.

The amount of natural gas consumed in TKYB's service building located in Istanbul is calculated monthly based on the invoices issued by the Istanbul Gas Distributor (İGDAŞ) and determined by accounting for the Bank's share of expenditure (40%). Natural gas consumption amounts are converted into kCal units by using the monthly consumption values (m³) in the invoices of İGDAŞ and conversion values of correction coefficient K and average upper heating value (kWh/m³) for each month.

The Bank aims to have its sustainability goals validated by the Science Based Targets initiative (SBTi) and is developing its science-based targets. The Bank plans to have these targets validated in 2024.

The TKYB Sustainability Committee is established under the leadership of the General Manager; it plays a critical role in determining the Bank's sustainability strategies, policies and targets, integrating these elements into the corporate structure, and aligning activities with these targets.

In this context, the Bank continues its efforts to determine a healthy reduction target by comparing Scope 1, Scope 2, and Scope 3 emissions for the last three years. At the same time, risk and opportunity analyses are conducted for climate risks, and the Bank's Climate Change Mitigation and Adaptation Policy has been developed in this context. This policy is made available to the public on the Bank's website.

TKYB prevented the emission of 5 million metric tons of greenhouse gas emissions in 2021, 4.5 million metric tons in 2022, and 4.6 million metric tons in 2023, and aims to increase this amount by 2025. In addition, the Bank is committed to achieving net zero emissions by 2050 and developing its impact investing ecosystem. In line with this goal, as the first and only organization in Türkiye to sign the Impact Management Code of Conduct, the Bank diligently continues its efforts in this area.

The Bank aims to reduce Scope 1 emissions by 10% by 2025 and 40% by 2040 compared to 2020 and continues its sustainability and emission reduction efforts in line with these targets.



Water Management

Climate change and rising temperatures are causing water resources to diminish, making water management even more critical.

In this context, protecting water resources and increasing the efficiency of water management is a key element of the sustainability strategy of the Development and Investment Bank of Türkiye. In the face of increasing water demand and the climate crisis, monitoring and evaluating water management and ensuring water savings are of great importance.



The headquarters building is located in Istanbul and is shared with another institution. This necessitates joint work on water consumption. The Bank obtains its water from the municipal water supply network and regularly monitors its water consumption. The amount of water consumed is recorded in cubic meters (m³) in line with the information obtained from invoices. There is no industrial wastewater generation at the Bank, and all wastewater is treated in accordance with the legislation and discharged to the sewerage system.

The determination and implementation of water management strategies is carried out under the responsibility of all units throughout the Bank.



The assessment of environmental impacts and the development of sustainable water management policies are carried out systematically in line with the Bank's sustainability principles. In accordance with the sustainability strategy, efforts are continuously made to reduce water consumption and encourage effective water management practices. Commitments to the sustainability and protection of water resources reflect the Bank's determination to protect water resources for future generations.

Waste Management

The Development and Investment Bank of Türkiye carries out its waste management processes in accordance with the “Zero Waste” legislation determined by the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change. Accordingly, the Bank maintains its leadership in environmental management in both the public and private sectors.

Throughout the building, recycling bins compliant with regulations have been placed on each floor for the separate collection of different types of waste such as glass, plastic, paper, and metal. This ensures regular and effective sorting of waste, speeds up recycling processes, and facilitates their transfer to relevant organizations. To ensure transparency in waste management, the Bank records process-related data in the Ministry’s online Integrated Environmental Information System (IEIS). This practice ensures that waste management processes are traceable and auditable.

Within the framework of the principles of the Environmental Management System, the Bank aims to optimize the use of resources in all its activities and reduce the amount of waste without reducing service quality.

As of 2023, a total of 5 metric tons of non-hazardous waste was recycled at the Bank’s headquarters. In this way, significant contributions were made to the protection of natural resources and the reduction of environmental impacts.

In addition, the Bank organizes various training programs to raise employee awareness on climate change and sustainability issues. In 2023, all employees participated in Environmental Information and Awareness Training programs, which aim to help employees better understand environmental impacts and contribute to proper waste management practices. As an environmentally conscious organization, the Development and Investment Bank of Türkiye maintains its leadership in the field of waste management and continues its waste reduction, sorting, and recycling efforts within the framework of sustainability principles.



Net-Zero Economy

The Development and Investment Bank of Türkiye continues to contribute to Türkiye's sustainable development goals by playing a critical role in the transition to a net-zero economy. As a leading institution in providing financing for environmental sustainability and combating climate change, the Bank has allocated a large portion of its loan portfolio to sustainability-oriented loans.

By 2022, 79% of TKYB's loan portfolio was directed to sustainability-themed projects, and this number reached 93% by the end of 2023. ✓

Last year, the Bank directly or indirectly contributed to 15 of the 17 Sustainable Development Goals through loans provided in this context.

TKYB has taken important steps towards reducing foreign dependence in the energy sector and investing in renewable energy projects. It supports Türkiye's energy transformation by financing renewable energy investments such as solar, wind, geothermal power plants, and biogas projects.

By the end of 2023, the Bank had financed 6% of Türkiye's renewable energy capacity and reduced 4.6 million metric tons of CO₂ emissions through these projects. ✓

The Bank's leadership in sustainability was reinforced with the issuance of Türkiye's first low-carbon economy transition bond. This 200 million TL bond issue contributed to strengthening the sustainable financing framework and developing innovative financing instruments. In addition, the Bank served as the exclusive financial advisor to Palgaz, which distributes natural gas in the Northern Marmara, and directed its experience in this field to sustainable energy projects.

Within the framework of Türkiye's 12th Development Plan, a "Green 4" themed loan agreement was signed with the Japan Bank for International Cooperation to support Türkiye's goal of reducing external dependence in the energy sector. This loan agreement paves the way for new investments in Türkiye's efforts to combat climate change and represents an important step in the country's journey towards achieving its net zero emission targets.



By purchasing I-REC certification, TKYB eliminated its Scope 2 emissions for 2022, thus taking concrete steps to fulfill its environmental responsibilities. It also continued this commitment by obtaining I-REC certification for 2023 electricity consumption data. The Bank aims to further increase the amount of prevented emissions by 2025.

By participating in the United Nations Global Compact's Climate Ambition Accelerator Program, the Bank has set science-based emission reduction targets and created a long-term roadmap to achieve net zero emissions. TKYB was one of the 19 companies that participated in this program in 2021 and continues to work as an active participant in the program in 2023. The Bank closely monitors sectoral and global developments, strengthens its green finance portfolios, and integrates sustainability principles into all its operations.

In the future, the Bank plans to play a leading role in line with Türkiye's 2053 net zero emission targets, stand by investors, and support renewable energy projects with determination. The Bank will continue to take important steps in the field of sustainable financing in partnership with national and international financial institutions. In the transition to a net-zero economy, TKYB will also maintain its leadership in developing the impact investing ecosystem and will continue to lead the sector with its innovative solutions in this area.

Intellectual & Manufactured Capital

Digital Transformation and Innovation

Digital transformation and innovation constitute the most important driving force for companies in all sectors to adapt to changing conditions and gain competitive advantage.

Development and Investment Bank completed the renovation and relocation of its data centers and renewed its infrastructure by switching to private cloud technologies with advantages in cost, operational efficiency, scalability, and high accessibility.

The development of an open-source, microservice-structured, modular new core banking application, which will enable business processes to be carried out on IT platforms in an end-to-end integrated manner with minimal intervention, has been largely completed. The customer management, accounting, support services, human resources and treasury modules have been completed and commissioned, and credit processes have been put into pilot use.

Completed Projects

Throughout 2023, Development Investment Bank took important steps in the field of digital transformation in line with the vision and targets it set. The projects completed across the Bank in this process which stand out as concrete examples of the digitalization vision include:

IFRS Compliant Rating Model

Rating criteria for corporate, SME, financial institutions, and project finance were determined, and modeling studies were successfully completed. The efficiency of our customer rating processes was maximized by completing the renewal of the Bank's rating model with a new IFRS-compliant rating model that provides quantitative, qualitative, warning signals, and expert opinions for corporate/SME, project loans, and financial institutions.

SKY Project

Customer management, CRM, accounting, support services, human resources and treasury modules of the new main banking SKY platform were put into use, enabling end-to-end execution of treasury spot/forward/swap FX transactions, derivatives, and securities transactions through SKY, and risk, limit and collateral processes were successfully managed.

Mobile Applications

The mobile application, which was developed to strengthen communication among the Bank's employees and to carry out business processes on mobile devices, was launched. In addition to providing employees with various opportunities such as social sharing, sending messages of thanks and support, accessing announcements and organizing surveys, this platform has increased speed and efficiency by enabling mobile management of banking processes in the new main banking SKY application.

Supplier Finance

Our innovative supplier financing solution, which is web-based and integrated with the Central Invoice Recording System (MKFS), was launched to finance trade between buyers and suppliers.

RPA Processes

By using Robotic Process Automation (RPA), repetitive routine tasks performed by employees were automated and carried out by software robots. In this way, operational errors were reduced and the bank's time to generate value was shortened.

Process Mining

Process data were processed and interpreted to discover, analyze and improve business processes and identify opportunities for automation. Insights were provided to the business units and the Bank management, and process optimizations were carried out.

Kubernetes Infrastructure

New main banking SKY microservices were enabled to run on Kubernetes infrastructure, and end-to-end automation of software development and migration processes was ensured through automated deployment processes. The use of scalable, high-performance, flexible, secure, and low-cost container architectures has been expanded to include our other applications.

Security Solutions and Network Modernization

Firewall, load balancer, and segmentation solutions were rolled out, technology upgrades were carried out on the main backbones of the Bank's corporate network, and a new network access control system was commissioned.

Virtualization Technologies

Most of the physical systems were moved to a virtual environment, resulting in increased operational efficiency and significant savings in energy expenditures and costs.

Intellectual & Manufactured Capital

Digital Transformation and Innovation

Completed Projects

Primary and Secondary Data Centers

The entire IT infrastructure was modernized, and solutions based on active-active replication in the primary center and asynchronous replication in the secondary center were put into operation. Modernization of data centers was successfully completed.

ODM (Emergency Center)

The ODM project was completed and launched, and capacity was increased by moving to the new data center in Ankara.

CBDDO Information and Communication Security Guidelines Compliance Project

The Bank fully complied with the Information and Communication Security Guidelines published by the Digital Transformation Office of the Presidency of the Republic of Türkiye (CBDDO) and successfully completed the necessary arrangements within the scope of the BRSA's "Regulation on Banks' Information Systems and Electronic Banking."

Website SEO Efforts

A comprehensive SEO project was carried out to ensure that the Bank's corporate website generates organic traffic and gains higher visibility in search engines, increasing its accessibility in the Bank's fields of activity.

Other Projects

The Treasury Switchboard Call Center, Mail Archive Project, E-Signature and Mobile Signature projects were also successfully completed.

Ongoing Projects

As of 2023, the ongoing projects in the digital transformation journey of the Development Investment Bank are as follows:

Grant Project (Other Phases)

A grant project aiming to increase geothermal investments by the private sector is being implemented with 39.8 million USD provided through the World Bank. This project envisages partial reimbursement of the costs of geothermal investors in the event that the wells they drill for resource exploration fail.

FTP ALM Bank Profitability Project

The FTP/ALM project is ongoing to monitor the Bank's risks, calculate interest income, manage equity valuations, and fund transfers.

Treasury Profitability Project

This ongoing project was initiated to evaluate treasury products on a portfolio basis and to monitor profit and loss. With the commissioning of the relevant module, both the treasury and the Bank's profitability calculations will be made more efficient.

Prometeia ERMAS Module Provision Calculation Project

The ERMAS project to calculate and report bank provisions is ongoing.

The Development Investment Bank makes effective use of private cloud technologies that offer cost, operational efficiency, scalability, and high availability advantages. At the same time, community cloud opportunities are closely monitored, and strategies are developed in line with developments in this area.

2024 is planned as a year in which the Development Investment Bank will further advance its digital transformation process. Accordingly, the Bank will continue to offer innovative services to its customers through mobile and online channels. In particular, digital merchant/corporate customer acquisition, process automation, and open banking efforts stand out.

R&D and POC activities will be carried out to expand the use of artificial intelligence in existing applications and processes; artificial intelligence-supported solutions will be developed in areas such as reporting, data analytics, legal compliance, and fraud detection. Innovative projects will be carried out for the effective use of big data-based artificial intelligence solutions to be generated

from the Bank's corporate website, application portals, social media, main banking platforms, etc. in all banking processes.

Open-source technologies and micro-service architecture will be expanded, and fast and error-free software development opportunities will be offered with low code approaches.

The year 2023 marked an important milestone for the Development Investment Bank on the road to digital transformation. In 2024, the Bank will continue to offer innovative services to its customers through digitalization and artificial intelligence-supported solutions. Increasing operational efficiency and offering innovative solutions through digital merchant/corporate customer acquisition, process automation and open banking efforts are among the Bank's material targets for 2024.

The Development Investment Bank established the Idea Platform to encourage employee engagement and collect innovative ideas from employees. A total of 64 suggestions/ideas have been entered on this suggestion platform by 2023.

Cybersecurity and Data Privacy

In line with its information security and personal data security strategies, the Development and Investment Bank of Türkiye aims to identify the information security needs of internal and external factors and to determine the interfaces and dependencies to meet these needs.

Within this framework, the Bank effectively operates the systems established in accordance with the ISO/IEC 27001:2013 Information Security Management System Standard in the operation and management processes of information systems. In addition, the Bank has achieved its goal of complying with the ISO 27701 Personal Data Management System standard by 2023.



Our Bank continues to work on the establishment, implementation, operation, monitoring, and continuous improvement of Information Security and Personal Data Management Systems within the framework of the legislation, regulatory decisions, contract terms, risk assessment, and processing results. In this context, the Bank is committed to ensuring the compliance of internal and external stakeholders with the Information Security Policy. In line with its vision, mission, and strategies, the Bank is committed to the continuity and sustainability of information security and personal data management systems.

Information security is not only a priority for our Bank, but also of great importance in terms of protecting the confidentiality of customer and bank information within the framework of the regulations of the Banking Regulation and Supervision Agency (BRSA) and the Personal Data Protection Authority (KVKK). Accordingly, information security practices and products have been put in place, and regular follow-ups and drills are carried out against possible breaches.

In 2023, there were no data breaches, and the Bank fully complied with its information security policies.

Senior Management provides the necessary technical and administrative resources to ensure an effective Information Security and Personal Data Management System; it manages the risks and acceptability levels of assets containing information and personal data through internal control mechanisms within the scope of planned internal audits and continuous audit activities. In addition, efforts are carried out to increase the awareness of all internal and external stakeholders on information and personal data security, targets are defined for all identified risks and opportunities, and efforts are continued to achieve these targets.

Our Bank pays utmost attention to the confidentiality, integrity, and accessibility of data in the processes of processing information assets and personal data. The confidentiality, integrity, and accessibility of the information produced with our Bank's resources, obtained from our customers or suppliers and obtained through official institutions are ensured. The opportunity and risk assessments carried out within the scope of Information Security and Personal Data Management Systems are conducted by taking these three dimensions into account.

Cybersecurity and Data Privacy

The Senior Management is committed to the following:

- Establishing an Information Security Policy and information security targets and ensuring that these targets are in line with the Bank's strategic direction,
- Integrating of Information Security and Personal Data Management System requirements with our Bank's processes,
- Providing the resources required for the Information Security and Personal Data Management System,
- Ensuring effective Information Security and Personal Data Management and emphasizing the importance of compliance with the requirements of the relevant systems,
- Meeting Information Security and Personal Data Management System targets,
- Guiding and supporting employees to contribute to the effectiveness of the Information Security and Personal Data Management System,
- Supporting continuous improvement efforts,
- Integrating confidentiality, integrity, and accessibility into the proper handling of information assets and personal data,
- Protecting the security of personal data obtained from real persons in line with the relevant legislation and the requirements of the Information Security and Personal Data Management System,
- Allocating the necessary resources to ensure the continuity and sustainability of the Information Security and Personal Data Management System.

Our Bank strengthens its measures against potential cyber threats through the development of endpoint security infrastructure and the dissemination of endpoint detection products. In 2019, with the BRSA Information Systems and Electronic Banking Regulation coming into force, an Information Security function was established independently from the IT Department and reporting to the General Manager, and this function continues to perform its duties effectively.

The Information Security Unit aims to adapt legislative obligations and globally accepted best information security practices to the Bank's business processes and strategy and carried out its 2023 activities within this framework. Under the leadership of the General Manager, who is the Chair of the Information Security Committee, the Unit carries out periodic and instant restrictive, monitoring and preventive activities. In addition, it enhances its information security capacity and competencies with new technologies integrated into the Bank's IT infrastructure during the digital transformation process.

The Information Security Unit carries out basic activities such as the planning, execution, and follow-up of penetration tests for the Bank's internal and external systems; briefings to increase the information security awareness of the Bank's personnel; and physical and logical phishing tests. It also informs senior management and, when necessary, the entire Bank about important cyber incidents or cyber security news. The measures taken against cyber threats are continuously strengthened and awareness of cyber incidents is increased through the development of endpoint security infrastructure and the dissemination of endpoint detection products.

In 2024, in addition to these efforts, it is planned to roll out the Network and System Hardening Product on critical devices. In this way, the Development and Investment Bank of Türkiye will continue to play a leading role in information security by proactively responding to current and future needs in the field of digital banking.



Cybersecurity and Data Privacy

Cyber Hygiene and Cyber Cleaning Day

Every digital file and data generated by digital devices (cell phones, laptops, tablets, etc.) contributes to the carbon footprint. By supporting cyber hygiene and cleanliness while conducting cyber security activities, the Bank aims to reduce the retention and use of unnecessary or unneeded data on devices, e-mails, file sharing areas, and storage devices allocated to the Bank. In this context, the main activities to be carried out to reduce the carbon footprint and to ensure that data that may pose operational risks in terms of information security are cleaned from digital environments are as follows:

Reviewing and deleting unnecessary files kept on digital media (computers, bank common storage areas, personal mobile devices, etc.)

Cleaning the “Deleted Items” and “Junk Emails” folders in MS Outlook

Emptying the “Recycle Bin” on the computers allocated by the Bank

Keeping only the current version for the organization or operation in storage areas and deleting other versions

Unsubscribing from email groups or subscription lists that are no longer functional or necessary and deleting unnecessary emails sent to these groups

Preventing unnecessary e-mail and information sharing by removing unnecessary people or institutions from internal or external correspondence groups

These efforts will contribute to both reducing the digital carbon footprint and increasing the level of information security through effective management of data in digital environments.



Social Capital

Customer Satisfaction

The Development and Investment Bank of Türkiye places its customers at the center of all its activities with its solution-oriented approach, which is one of its core values.



Adopting a customer-oriented approach, the Bank continues to contribute to inclusive economic growth through its expert staff and trust-based relationships with international financing institutions. The Bank aims to shape the future together with its customers through effective and value-creating solutions.

Customer Satisfaction and Consulting is one of the Bank's most important strategies. In this context, a Corporate Banking and Project Finance unit was established to develop strategies to maximize customer satisfaction and communicate directly with customers. This unit deals with issues such as customer acquisition, identifying customer needs, managing customer relations and providing consultancy services. Similarly, Investment Banking and the Türkiye Development Fund are responsible for identifying customer needs and managing customer relations in their respective areas. The Bank continuously develops new financial products to meet customer needs, for example, through the introduction of a separate account and various treasury products.

TKYB took an important step by obtaining an investment banking license, which enabled the Bank to offer investment banking and consulting services in addition to credit

services. The Bank aims to increase customer satisfaction by providing services such as financial restructuring, financial feasibility, company valuation, and structured/project finance advisory. In addition, the Bank conducts financial, technical, and sectoral analyses on clients' investment plans and projects and provides valuable opinions on the financial feasibility of investments.

During the COVID-19 pandemic, the Bank continued to offer domestic and international funds to its customers by developing Support for Investment, Wholesale Banking (APEX Banking) and Grant Management applications. In this process, fast, secure, and uninterrupted service delivery was ensured through the online channel, and the Bank also aimed to add value to its users by examining FinTech (Financial Technology) collaborations through the open banking channel. In this context, efforts to create APIs for open banking services are ongoing. In addition, investment processes for FinTech partnerships are ongoing in order to provide value-added services.

Customer Satisfaction

The Bank strictly adheres to the principle of responding quickly and accurately to customer requests. Accordingly, loan requests are quickly evaluated, and customers are promptly notified when projects are deemed unfavorable.

On the other hand, projects that are evaluated positively proceed through a faster process compared to other banks, which is met with positive feedback from customers. The Bank makes effective use of social media channels to increase customer accessibility and actively participates in sectoral conferences and congresses to strengthen customer relations and increase its effectiveness in the sector.

Customer satisfaction surveys are organized periodically to measure customer satisfaction and facilitate communication. Launched at the end of 2022, the Internal Customer Satisfaction survey is planned to be completed in the second half of 2023. In addition, all stakeholders are encouraged to submit their requests through the Suggestion and Complaint Form on the Bank's website, and important actions are taken in line with these requests.

As part of the Integrated Management System efforts, in addition to the existing ISO 45001 Occupational Health and Safety Management System and ISO 9001 Quality Management System certifications, **the Bank also obtained the ISO 10002 Customer Satisfaction Management System certification, which aims to address, evaluate, and mitigate customer complaints, increase customer satisfaction, and meet future customer expectations.**

Finally, at the Development and Investment Bank of Türkiye, the Innovation and Business Development Committee works to develop new products and services, conducts market research by analyzing customer needs, and determines innovative strategies. In this way, the Bank aims to continuously increase customer satisfaction by offering more appropriate and effective solutions to its customers.



Social Capital

Stakeholder Capitalism and Transparency

Türkiye Kalkınma ve Yatırım Bankası Anonim Şirketi has established the “Principles for the Notification of Internal Irregularities and Whistleblowing Hotline” document to establish communication channels for the reporting of internal irregularities. These principles determine the procedures and systems necessary for the Bank’s personnel to report transactions and actions that are contrary to the laws, accounting procedures and principles, and the Bank’s internal procedures. The Audit Committee establishes the necessary procedures and systems for Bank personnel to report irregularities or misconduct in writing, via mail or text, concerning any actions that are:

- Contrary to all applicable laws and regulations
- Contrary to the applicable accounting records, practices, regulations, procedures, and principles
- Damaging the internal control environment
- In conflict with the Bank’s procedures and instructions

Communication channels for reporting irregularities within the Bank have been established, so that the personnel can directly report such irregularities to the Audit Committee or the Inspection Board Unit in good faith to protect the interests of the Bank. The protection of the reporting personnel and the confidentiality of the information is the responsibility of the Audit Committee and the Inspection Board Unit. This process is supported by the Bank’s senior management and is reviewed annually, and necessary improvements are made.

The Bank implements a comprehensive grievance mechanism and environmental and social audit processes to report unethical incidents and eliminate negative impacts. This mechanism ensures that the problems and suggestions reported by employees, customers, suppliers, and all other stakeholders are systematically evaluated and recorded and that necessary actions are taken quickly. In 2023, the Bank recorded 37 complaints.

The Grievance Redress Mechanism is designed in accordance with International Standards. A Grievance Redress Mechanism (GRM) is prepared separately (project-specific) for all projects within the scope of the existing Environmental and Social Management Plan of the resource institutions and the Bank. In this context, the entire project and the Bank’s Grievance Redress Mechanism work and function together. All these grievance mechanism outputs are shared with the resource organizations and strengthened by receiving feedback from experts. The Sustainability and Environmental Social Impact Management Department is responsible for the processes. One of the main tasks of the Sustainability and Environmental Social Impact Management Department, especially for the Grievance Redress Mechanism, is the operation, improvement, and management of the GRM. Due to the establishment of a GRM in all our projects, everyone working near the project is aware of the existence of the TKYB mechanism and falls within the scope of this mechanism. The feedback received in this regard has been very positive. Similarly, positive feedback is received from the resource organizations on an annual

basis.

This mechanism is supported by environmental and social audits, which monitor the environmental and social impact of the Bank’s operations, allowing non-compliance and negative impacts to be identified at an early stage. Identified issues are quickly remediated in line with an established protocol and specific monitoring and reporting mechanisms are put in place to monitor the effectiveness of processes.

Stakeholder capitalism, collaborations, and the integration of development-oriented approaches are the cornerstones of the Bank’s strategy to support sustainable growth at local and international levels.

The Development and Investment Bank of Türkiye supports sustainability efforts through national and international collaborations and is a member of the Business Council for Sustainable Development Türkiye (BCSD Türkiye), the regional network of the World Business Council for Sustainable Development (WBCSD) in Türkiye. The Bank switched to the Integrated Reporting system in 2021 and became a member of the Integrated Reporting Türkiye network (ERTA) and the Impact Investing Advisory Board (EYDK). The Bank also participates in UNEP FI Working Groups and continues its activities as a member of the Global Impact Investing Network (GIIN). As a signatory of the UN Global Compact and a member of the UN Global Compact Türkiye Association, the Bank contributes to sustainability projects.

In 2021, our Bank became the first and only institution in Türkiye to sign the Impact Management Working Principles launched by the International Finance Corporation (IFC). In addition, it continues its leadership in this area as a founding signatory of the Principles for Responsible Banking established by the United Nations Environment Program-Finance Initiative (UNEP FI) in 2019. As a result, the Development and Investment Bank of Türkiye implements a grievance redress mechanism in line with international standards to report unethical incidents, eliminate negative impacts and realize sustainability goals, and continuously strengthens these mechanisms in line with the feedback received in the processes. When search engines are used to search for Stakeholder Engagement Plan or Grievance Redress Mechanism, it can be seen that the Financed Companies publicly share these mechanisms on their websites. TKYB implements this work in all its projects to increase the effectiveness of stakeholder engagement and identify risks.

Strong Management of the Value Chain

Within the framework of its responsible banking approach, the Development and Investment Bank of Türkiye has adopted the principles of sustainability and environmental and social responsibility in supply chain management. In line with these principles, the Bank carefully manages supplier selection processes and takes various steps to improve the environmental and social performance of its suppliers. The purpose of the policy is to ensure that the supply chain and its activities are properly managed by employees. All procurement transactions of the Bank are carried out in accordance with the “Procurement and Tender Regulation”. For products and services that can be procured from the domestic market, priority is given to domestic suppliers established in Türkiye and continuing their activities in the country, which is considered as a step in line with the Bank’s goal of increasing its contribution to the domestic economy. The scope of the policy consists of items that will ensure that the supply chain is carried out in a way to cover the pre-supply and post-supply phases.

In 2022, the share of local suppliers in total suppliers was 0.91%, while this ratio increased to 0.95% in 2023. In the same period, the share of spending on local suppliers in the total procurement budget increased from 0.92% to 0.97%, indicating that the budget allocated to local suppliers has also increased.



TKYB has established a comprehensive procedure to regulate supplier selection processes. This procedure details the selection and evaluation of suppliers and reflects the Bank’s commitment to sustainability and ethical values.

Measures and practices taken to fulfill social responsibilities and ensure social sustainability are an important part of the Bank’s supply chain management. In this context, TKYB regularly communicates with suppliers and monitors their compliance with social responsibility projects.

The inclusion of necessary clauses in contracts and the application of penal clauses when necessary are emphasized in the Supplier Code of Conduct document, which is published to ensure that suppliers comply with the Bank’s high standards. This document defines the environmental, social, and ethical responsibilities of suppliers and is included in all contracts with the Bank; it covers issues such as ending child labor and forced labor practices and improving working conditions of employees. The Bank provides support to suppliers in this regard. These principles also comprehensively address issues such as occupational health and safety, environmental protection and employee rights, and aim to ensure that all suppliers working with the Bank act in accordance with these standards.

As a party to the United Nations Global Compact, TKYB is committed to adhering to the human rights and labor standards set out in the Compact. The Bank takes the necessary measures to ensure that not only its internal processes but also its suppliers act in line with these principles. In this context, suppliers are expected to comply with the Core Conventions of the International Labor Organization (ILO) and the United Nations Declaration of Human Rights. The company conducts regular audits and organizes surveys to assess employee satisfaction and conditions and ensures that its suppliers maintain the same standards in these processes. Preparation of emergency action plans by determining strategies to minimize risk is an integral part of supply chain management.

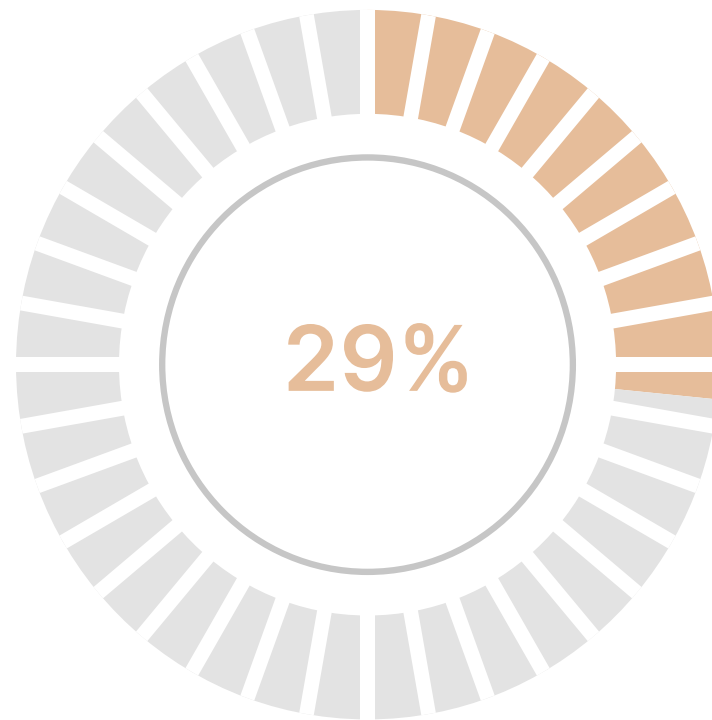
Strong Management of the Value Chain

The Bank follows a process in line with effective criteria in the selection of supplier companies with the Supplier Identification Procedure determined in supply chain management and conducts an evaluation once a year after the selection. In addition, suppliers are expected not to engage in behaviors that are in conflict with the Bank's Environmental and Social Policy, Sustainability Principles, and Climate Change Mitigation and Adaptation Policy. Internal audits and annual monitoring of Supplier Evaluation Forms are an effective part of supply chain management. In this evaluation process, it is taken into consideration whether suppliers have Integrated Management Systems and whether they have certificates related to quality, environment, and occupational health and safety management systems such as ISO 9001, ISO 14001, ISO 45001.

If the decision not to work with the company is made, new suppliers are researched, and work is started with Business Unit compliance (Technical Competence Report). Companies wishing to gain approved supplier status are required to provide certain documents and certificates. In addition, additional documents stipulated in the technical specifications of the work are expected to be submitted. TKYB, through the Internal Control and Compliance Unit, checks all suppliers against the International Prohibited List Match and does not work with companies under embargo or sanctions. For high-risk suppliers, the approval of the relevant business line Assistant General Manager is required before procuring services. Approved suppliers are checked against the international restricted list once a year, and business relations are terminated with companies that are determined to be subject to embargo or sanctions.

In 2023:

**Percentage of new suppliers
evaluated using environmental
and social criteria: 29%**



Social Responsibility and Contributions



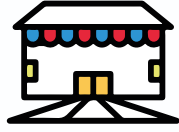
The Development and Investment Bank of Türkiye is committed to preserving the cultural heritage of local communities and contributing to local economic development by maintaining relations with them on the principles of respect, transparency, and participation. The Bank focuses on developing sustainable relationships by engaging in continuous dialogue to understand the needs and concerns of communities. In this context, the Bank considers it a priority to improve the quality of life of communities and minimize negative impacts by accounting for environmental and social impacts in project planning processes.

The Bank encourages the participation of local people in its projects and considers their views and feedback, thereby tailoring its operations to the needs of communities. This approach clearly demonstrates that the Bank goes beyond being just a financial institution and also fulfills its social responsibilities. The Bank's lending processes are carried out in line with IFC (International Finance Corporation) Performance Standards, and negative impacts are rigorously assessed. As of 2023, the Bank's operations have no negative impact on local communities.

Within the scope of social responsibility activities, the Bank has undertaken various projects:

The Goodness Charity Bazaar

was organized, and the proceeds were donated to children in the earthquake region through Darüşşafaka Association.



The Income Generating Sapling Project

donated 1,505 saplings in total.



KAÇUV Hope Cafe was hosted at the Head Office, and support was provided to children with cancer and their families.

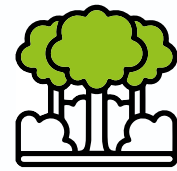


20 employees participating in the **İstanbul Maratonu** collected donations for Darüşşafaka.



On November 11, National Forestation Day,

for the 100th Anniversary Republican Forests as part of the “Breath for the Future, Breath for the Republic” campaign, saplings were planted.



The Bank’s operations have various indirect impacts on local economies, and managing these impacts plays a critical role in achieving sustainability goals. Efforts to revitalize local supply chains increase the sustainability of small businesses and encourage the employment of local labor. However, increased industrial activity can raise the cost of living in some regions, putting pressure on the purchasing power of local residents. In this context, the Bank carefully assesses the impact on regional economic balances and makes strategic decisions accordingly.

Technology transfer and innovation activities promote technological progress in the local economy, while training the local workforce and adoption of new technologies increase the competitiveness of local companies and contribute to sustainable growth. These indirect economic impacts of the Bank play an important role in local economic dynamics. In addition, the Bank’s operations are managed in line with the United Nations’ Sustainable Development Goals and national policy agendas. These policies aim to balance economic growth with environmental and social sustainability.

As a result, the Development and Investment Bank of Türkiye continuously assesses and improves the social benefit impact of its operations by partnering with local communities and maintaining an ongoing dialog with stakeholders. This approach helps the Bank fulfill its social and environmental responsibilities and achieve its long-term sustainability goals.

5 EFFECTIVE CORPORATE GOVERNANCE

Corporate Structure

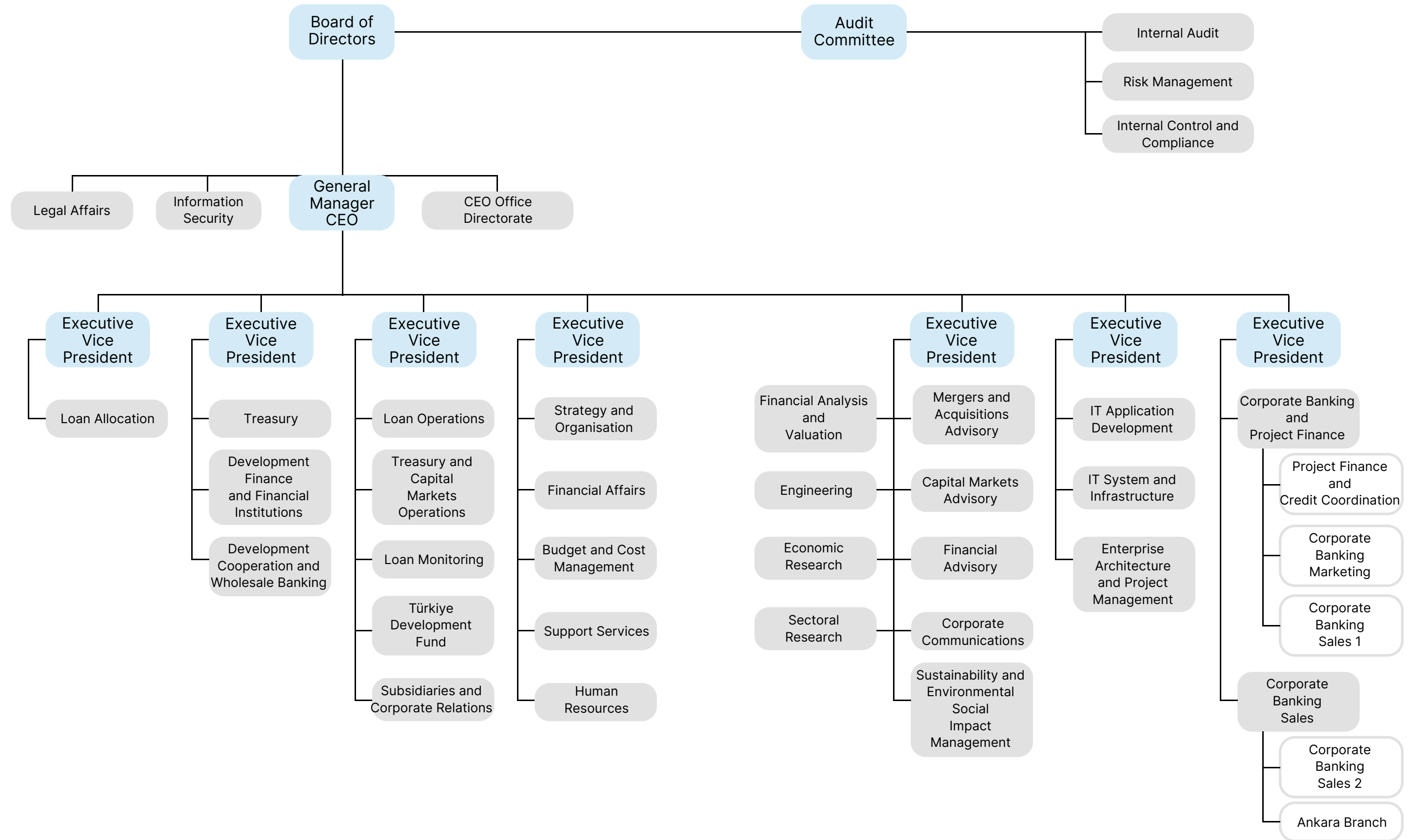
The corporate structure of the Development and Investment Bank of Türkiye is anchored in the highest governing body, the Board of Directors. The Board is responsible for making the Bank's strategic decisions, overseeing the performance of the management team, and effectively managing the Bank's economic, environmental, and social impacts. Subcommittees operating under the Board play a critical role in this process.

The Bank discloses the positions and duties of Board members to all stakeholders through the TKYB website, the Public Disclosure Platform (KAP), and periodic reports, in accordance with transparency principles.



Dr. Raci Kaya	Ömer Karademir	İbrahim Halil Öztop	Erdal Erdem	Zeynep Boğa	Zekeriya Çoştur	Kerem Dönmez	Positions Held Outside the Company as of the Latest Status	Date of Appointment	Educational Background	Business Experience in Banking and Business Administration (Years)
Chairman of the Board	Vice Chairman of the Board	CEO and Board Member	Independent Board Member	Independent Board Member	Board Member	Independent Board Member				
Chairman of the Board Chairman of the Social Security Institution	Member of the Audit Committee		Member of Remuneration Committee	Chairman of the Remuneration Committee	Vice Chairman of Governance Committee	Chairman of Corporate Governance Committee				
Chairman of the Board Chairman of the Social Security Institution	General Directorate of Public Finance of the Republic of Türkiye Ministry of Treasury and Finance	Board Member of the Türkiye Investment Initiative, Chairman of Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş.	Chairman of Audit Committee	Vice Chairman of Audit Committee	Deputy Minister of the Republic of Türkiye Ministry of Industry and Technology	Member of Audit Committee	Director General of Foreign Economic Relations of the Republic of Türkiye Ministry of Treasury and Finance			
9.11.2020	25.03.2022	13.12.2018	10.07.2020	4.08.2023	4.08.2023	4.08.2023				
PhD	Master's Degree	Master's Degree	Bachelor's Degree	Master's Degree	Master's Degree	Master's Degree				
33	17	27	28	28	16	16				

Organizational Chart



Board of Directors and Senior Management

In line with its vision to achieve sustainable development goals, the Development and Investment Bank of Türkiye adopts a comprehensive and inclusive management approach to create long-term value for its stakeholders.

As part of this approach, the Bank prepares strategic business plans for three- to five-year periods, considering cyclical developments, and reviews these plans annually. The strategic planning process involves the active participation of all Bank units in setting objectives, with the final plans being approved by Senior Management and the Board of Directors.

The Development and Investment Bank of Türkiye's Board of Directors consists of seven members elected by the General Assembly, with members serving a term of up to three years. The selection of members is conducted in accordance with corporate governance regulations. Additionally, the election of Board Members is carried out based on motions submitted by shareholders during General Assembly meetings.

The Chairman of the Board is selected from among the Board members in accordance with Article 18 of the Bank's Articles of Association. The Chairman presides over Board meetings but holds no other managerial responsibilities within the company.

Under the Chairman's leadership, the Board of Directors actively collaborates with senior management to define and approve the institution's mission and sustainability strategies. As the highest governing body, the Board of Directors regularly reviews the effectiveness of the processes needed to manage the organization's economic, environmental, and social impacts. These annual evaluations play a crucial role in driving continuous improvement.

The Board of Directors maintains effective communication with stakeholders through platforms such as annual general meetings and dedicated sustainability forums, gathering valuable feedback. The Board reviews these insights in quarterly meetings and updates its policies and strategies accordingly.

In accordance with the provisions of the Articles of Association, the Board of Directors meets at least once a month with a majority of its full membership and makes decisions by majority vote of those present. In 2023, the Board held 17 meetings and passed 241 resolutions, including 7 interim decisions. These resolutions are recorded in the Board's Resolution Book in compliance with relevant regulations, and for issues where differing opinions are expressed, the reasons for dissenting votes are thoroughly documented. Board Members do not have veto power.

The Bank arranged Directors and Officers Liability Insurance with a 3 million USD limit to safeguard the responsibilities of Board Members and Bank executives. The Legal Counsel meticulously manages communication and keeps the Chairman and Board Members well-informed. The Chairman sets the agenda and dates for Board of Directors meetings and ensures the active participation of members to conduct meetings efficiently and effectively.



Board of Directors

Our Bank's Board of Directors comprises distinguished representatives from the public sector, private sector, and academia, selected for their deep experience and expertise in banking, finance, and capital markets.

Dr. Raci Kaya

Chairman | The Board of Directors

Dr. Raci Kaya was born in 1967 in Ankara. He graduated from the Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Public Administration in 1989. He earned his master's degree in economics from Hacettepe University, Faculty of Economics and Administrative Sciences, in 1996 and completed his PhD at the Marmara University Institute of Banking and Insurance in 2013. Between 1990 and 2007, Dr. Raci Kaya held various positions at several banks. From 2007 to 2014, he served as Deputy General Manager at Aktif Yatırım Bankası A.Ş., and from 2015 to 2016, he held the same position at Ziraat Katılım Bankası A.Ş. Between 2016 and 2018, he served as Acting Deputy Undersecretary and Deputy Undersecretary at the Republic of Türkiye Ministry of Treasury and Finance. He was the Chairman of the Board of Vakıfbank from 2018 to 2019, a Board Member of Eximbank from 2016 to 2018, and held a position on the IMF Executive Board from November 2018 to November 2020. Since December 2016, he has been serving as Deputy Undersecretary at the Ministry of Treasury and Finance. As of November 2020, he is the Chairman of the Board of Directors at Türkiye Kalkınma ve Yatırım Bankası A.Ş., and since August 2023, he has also been serving as President and Chairman of the Board of Directors at the Social Security Institution (SGK).



İbrahim Halil Öztop

Board Member | CEO

He was born in 1969 in Şanlıurfa. He graduated from the Middle East Technical University, Faculty of Engineering, Department of Industrial Engineering in 1991 and earned a master's degree in Business Administration from Bilkent University. In August 2018, Öztop was appointed General Manager and Board Member of the Türkiye Kalkınma ve Yatırım Bankası A.Ş. He is also a member of the KOSGEB Executive Committee and a Board Member of the Turkish Investment Initiative (TII). In October 2021, he was elected Chairman of the Board of the Turkish Capital Markets Association, a position he held until 2024. Öztop also served as Deputy Chairman of the Board at the Central Securities Depository from 2021 to 2024. Since November 2020, he has been serving as Chairman of the Board at Kalkınma Girişim Sermaye Portföy Yönetim A.Ş. With nearly 30 years of experience in the banking sector, Öztop has held senior positions in the investment banking line of business at Türkiye Sınai Kalkınma Bankası A.Ş., Körfezbank A.Ş., and Garanti Yatırım Menkul Kıymetler A.Ş.

Ömer Karademir

Vice Chairman of the Board | Member of Audit Committee

He was born in 1982 in Malatya, where he completed his primary, secondary, and high school education. In 2006, he graduated from the Department of Economics at the Middle East Technical University, Faculty of Economics and Administrative Sciences. He went on to earn a master's degree in Public Administration from Carnegie Mellon University in 2015. His career began in 2006 as an assistant expert at the Undersecretariat of Treasury in the General Directorate of Foreign Economic Relations. In 2009, he transitioned to the General Directorate of Public Finance, where he held various expert roles and later served as Head of Department from 2017 to 2020. Between 2020 and 2021, he was appointed Acting Deputy Director General of Public Finance at the Ministry of Treasury and Finance. He also served as a Board Member at the State Supply Office (DMO) from 2021 to 2022. In December 2021, he was appointed Director General of Public Finance at the Ministry of Treasury and Finance. Since 2022, he has been serving as the Vice Chairman of the Board at Türkiye Kalkınma ve Yatırım Bankası A.Ş.

Kerem Dönmez

Independent Board Member | Chairman of Corporate Governance Committee | Member of Audit Committee

In 2007, he graduated from Middle East Technical University, Department of Business Administration. In 2019, he received a master's degree in International Politics (MBA) from Stanford University. Mr. Dönmez served as a Specialist and Head of Department at the Ministry of Treasury and Finance from 2013-2022, as Deputy General Manager from 2022/7-2022/11, and is currently serving as the General Manager of Foreign Economic Relations at the Ministry of Treasury and Finance. Since August 2023, he has been a member of the Board of Directors of Türkiye Kalkınma ve Yatırım Bankası A.Ş.

Zekeriya Çoştur

Board Member | Vice Chairman of Governance Committee

He graduated from the Department of Industrial Engineering at Boğaziçi University in 2008. Throughout his professional career, he held managerial positions in commercial units and provided strategic planning consultancy for organizations such as Turkish Airlines and TRT. In 2018, he was appointed as Director of the Project Management Office at the Ministry of Industry and Technology. As part of the National Technology Initiative, he was involved in processes and projects to support R&D and innovation activities and develop the technology ecosystem in Türkiye. In April 2020, he became the founding Director General of the National Technology Directorate, which was established to ensure a stronger presence of the National Technology Initiative within the Ministry and public institutional structures. While continuing in this role, he was appointed Deputy Minister of Industry and Technology on June 22, 2023. Since August 2023, he has also been serving as a Board Member at Türkiye Kalkınma ve Yatırım Bankası A.Ş.

Board of Directors

Zeynep Boğa

Independent Board Member | Chairman of the Remuneration Committee | Vice Chairman of Audit Committee

She was born in 1982 in Fethiye. She completed her primary and secondary education in Ankara and finished high school in Melbourne, Australia. In 2004, she graduated from the Department of Business Administration at Hacettepe University, Faculty of Economics and Administrative Sciences. In 2012, she earned an MBA from UC Berkeley in the United States. She began her career in 2004 at the Ministry of Treasury and Finance (formerly the Undersecretariat of Treasury), working in the International Capital Markets Department within the General Directorate of Foreign Economic Relations. From 2014 to 2019, she served as Head of the International Capital Markets Department. In 2019, she was appointed Deputy Director General responsible for International Capital Markets at the newly established General Directorate of Debt Management in Istanbul. During this time, she managed foreign currency bonds and sukuk issuances to secure public financing and handled relations with international credit rating agencies and global portfolio investors on behalf of Türkiye. Under her leadership, Türkiye's Debt Management Office was recognized by global financial publications such as Global Capital, International Finance Review, Euromoney, and EMEA Finance, earning awards for "Best Debt Management Office in Emerging Markets." She was also named the "Most Effective Debt Manager in Emerging Markets" by similar publications. She serves as Deputy Director General of Debt Management at the Ministry of Treasury and Finance. Since August 2023, she has also been a Board Member at Türkiye Kalkınma ve Yatırım Bankası A.Ş.

Erdal Erdem

Independent Board Member | Member of Remuneration Committee | Chairman of Audit Committee

He was born in 1971 in Çankırı. He graduated from Afyon Kocatepe University, Department of Finance, in 1993 and earned a master's degree from Beykent University. Erdem began his career at Faisal Finance Institution in 1995-1996. From 1996 to 2011, he held various roles in the participation banking sector, including Assistant Marketing Specialist, Project Marketing Group Director, Credit Service Director, and Deputy General Manager responsible for Credit Monitoring, Legal Affairs, and Credit Evaluation Units. Between 2012 and 2014, he served as a Board Member and Credit Committee Member at T.C. Ziraat Bankası A.Ş., as well as Deputy Chairman of the Board at Ziraat Leasing A.Ş. and a Board Member at Ziraat Bank Moscow. From 2014 to 2017, he held the roles of Deputy General Manager for SME Banking Marketing, Financial Management and Planning, and, on an acting basis, Human Resources and Quality Organization at Halk Bank. He also served as Chairman of the Board at Halk Faktoring A.Ş. and as a Board Member of Halk Bank Serbia. From 2017 to 2020, he was Deputy General Manager and later General Manager at Şekerbank, focusing on SME Banking. Between 2022 and 2024, he served as General Manager of the Credit Guarantee Fund (KGF). Since July 2020, he has been serving as a Board Member at Türkiye Kalkınma ve Yatırım Bankası A.Ş.

Senior Management

İbrahim Halil Öztop

Board Member and CEO

İbrahim Halil Öztop was born in Şanlıurfa in 1969 and graduated from the Department of Industrial Engineering at the Middle East Technical University's Faculty of Engineering in 1991. He continued his education by earning a master's degree in Business Administration from Bilkent University. Öztop began his career at Türkiye Sınai Kalkınma Bankası A.Ş. (TSKB) in the Corporate Finance Department, where he served as Assistant Manager from 1995 to 1999. From 1999 to 2001, he worked at Körfezbank as the Manager of Project Finance and Investment Banking. He then returned to TSKB, holding the position of Group Manager for Investment Banking from 2002 to 2006. Between 2006 and 2010, he was an Executive Director at Osmanlı Yapı Companies, followed by his role as Deputy General Manager in the Corporate Finance Department at Garanti Yatırım Menkul Kıymetler A.Ş. from 2011 to 2018. Since August 2018, Mr. Öztop has been serving as the Chairman and General Manager of Türkiye Kalkınma ve Yatırım Bankası A.Ş. In addition, since December 2018, he has continued in these roles. He also serves as a Board Member of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP). In June 2020, he was appointed to the Board of the Banks Association of Türkiye, and as of September 2021, he became the Chairman of the Board of the Turkish Capital Markets Association. As of April 2021, Mr. Öztop has also been serving as Deputy Chairman of the Board at Merkezi Kayıt Kuruluşu A.Ş. (MKK), representing the Turkish Capital Markets Association.

Satı Balcı

Executive Vice President | Loan / Treasury Operation, Affiliates and Investor Relations, Türkiye Development Fund and Loan Monitoring

Satı Balcı was born in 1966 in Yozgat and graduated from the Business Administration Department of Ankara University's Faculty of Political Sciences in 1988. The same year, she began her professional career as an Assistant Specialist at Yapı ve Kredi Bank. Throughout her career, she has held significant roles as Credit Monitoring and Collection Manager and Head of the Loan Allocation and Assessment Department. She also served as a Board Member at various subsidiaries of the Bank. Currently, Ms. Balcı serves as the Liquidation Officer at Tasfiye Halinde Kalkınma Menkul Kıymetler A.Ş. and Deputy Chairman of the Board at Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. Since November 2017, she has been the Deputy General Manager at the Development and Investment Bank of Türkiye overseeing Credit Operations, Treasury and Capital Market Transactions Operations, Subsidiaries, Corporate Relations, and the Türkiye Development Fund units.

Senior Management

Seçil Kızılkaya Yıldız

Executive Vice President | Investment Banking, Project Evaluation, Sustainability and Corporate Communications

Seçil Kızılkaya Yıldız was born in 1973 in Konya and graduated from the Business Administration Department at Boğaziçi University's Faculty of Economics and Administrative Sciences in 1998. That same year, she began her career at Türkiye Sınai ve Kalkınma Bankası A.Ş. Between 2006 and 2007, she served as Assistant Manager of Corporate Finance at Oyak Yatırım Menkul Değerler A.Ş., and from 2007 to 2008, she worked as a Senior Credit Analyst at the Istanbul Liaison Office of Bayerische Hypo- und Vereinsbank AG. From 2008 to 2012, she was the Director of Capital Markets at UniCredit Menkul Değerler A.Ş., and between 2012 and 2014, she led the Structured Finance Group at ING Bank A.Ş. She then provided corporate finance consultancy from 2014 to 2016, followed by her role as Founding and Managing Partner at FSM Advisory in 2016-2017. From 2017 to 2019, she served as Deputy General Manager at Kuzu Toplu Konut İnşaat A.Ş. Since March 2019, she has been the Deputy General Manager at the Development and Investment Bank of Türkiye, overseeing Investment Banking, Project Evaluation, Sustainability, and Corporate Communications.

Özlem Cinemre

Executive Vice President | Treasury and Financial Institutions

Özlem Cinemre graduated from Boğaziçi University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 1988. The same year, she started her professional career at QNB Finansbank A.Ş. as an Assistant Specialist. She served as Foreign Relations Officer between 1989-1991, Foreign Relations Unit Manager between 1991-1992, Foreign Relations Group Head between 1993-1997, and Foreign Relations Assistant General Manager between 1997-2018. She served as a Board Member at QNB Finans Leasing, QNB Finans Faktoring ve Hemenal Finansman A.Ş. between 2018-2019. Since June 2019, she has served as Executive Vice President in charge of Treasury and Financial Institutions at Türkiye Kalkınma ve Yatırım Bankası A.Ş. Cinemre is also actively involved in various non-governmental organizations in Türkiye as a Board Member.

Muzaffer Gökhan Songül

Executive Vice President - Loan Allocation and Loan Monitoring

Muzaffer Gökhan Songül graduated from Istanbul University's Faculty of Political Sciences, Department of Business Administration in 2002, followed by 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 between 2007 and 2010. From 2010 to 2014, Muzaffer Gökhan Songül served as Deputy General Manager at the Royal Bank of Scotland. He then held the same position at Alternatif Bank A.Ş. from 2014 to 2022, during which time he also served as a Board Member of Alternatif Yatırım and Alternatif Leasing. Since September 2022, he has been serving as Deputy General Manager responsible for Loans at the Development and Investment Bank of Türkiye.

Ali Yunuslar

Executive Vice President | Information Technologies

Ali Yunuslar graduated from Middle East Technical University (METU), Department of Computer Engineering in 1999. Between 2011 and 2012, he completed his MBA at Istanbul Technical University (ITU). Ali Yunuslar started his professional career as a Software Engineer at VestelNet and later worked as a Software Specialist at VeriPark and Bizitek. In 2004, he joined Türkiye Sınai Kalkınma Bankası (Industrial Development Bank of Türkiye) as a Senior Software Specialist, where he served in managerial positions for 7 years. In 2013, he started working as an Application Development Director at Mastercard Payment Systems, and in 2017, he founded Mentavision Information Technologies. In 2019, Yunuslar started to work as an Application Development Director at the Development and Investment Bank of Türkiye, and in 2022, he was appointed as Assistant General Manager responsible for Information Technologies.

Yeşim Şimşek

Executive Vice President | Corporate & Project Finance

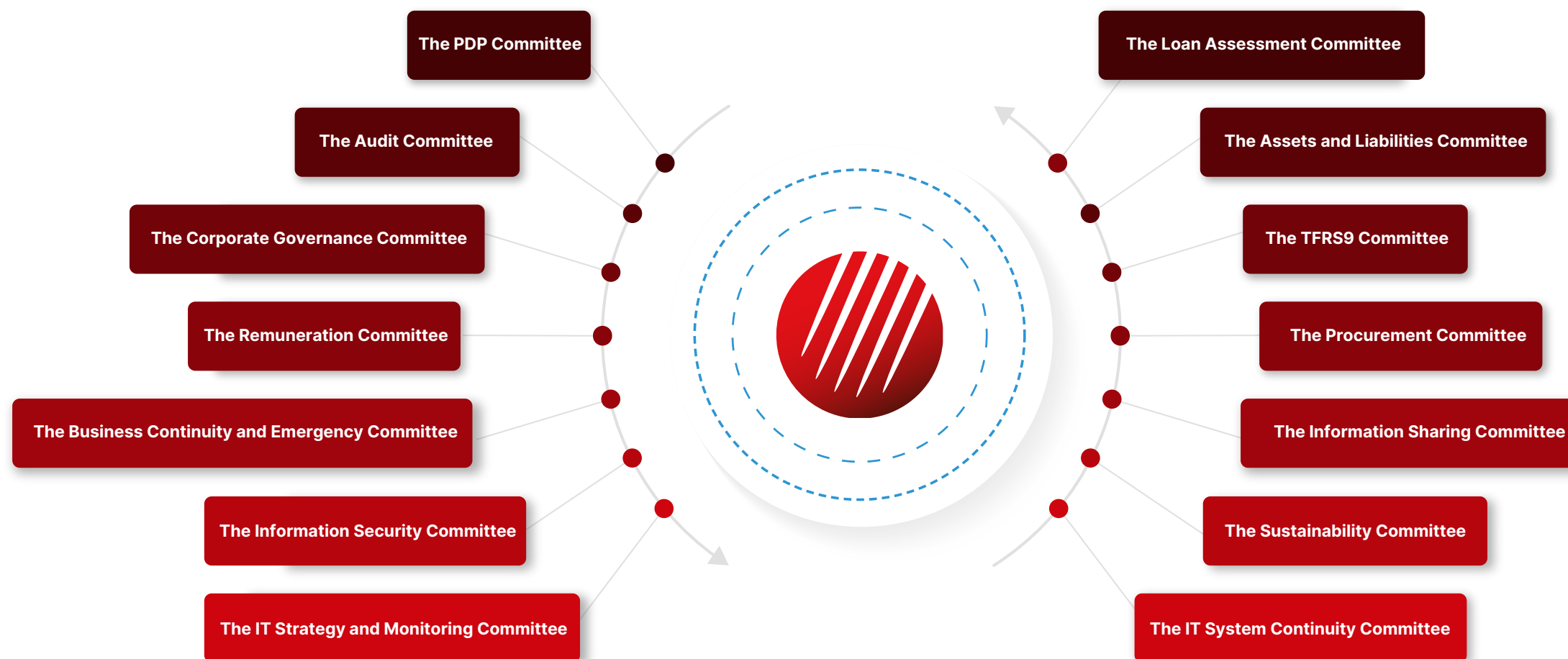
Yeşim Şimşek graduated from Ankara University's Faculty of Communication in 1986. She began her banking career that same year at Yapı Kredi Bank and worked at Koçbank from 1993 to 1995. Until 2004, she was a Branch Manager at Bank Ekspres and Garanti Bank. She later held the position of Regional Director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

Nuri Yasin Külahçı

Executive Vice President | Strategy, Organization, Finance, Budget and Cost Management, Support Services

Nuri Yasin Külahçı graduated from the Faculty of Engineering at Istanbul University with a degree in Industrial Engineering. He then completed a dual master's degree in Finance & Accounting and Business Administration at Yeditepe University. He began his professional career in 2003 as an assistant inspector at Finansbank A.Ş. and later held positions as a Senior Consultant at Deloitte and Senior Manager at PwC (PricewaterhouseCoopers). During this time, he successfully managed numerous audit and consulting projects for various organizations in the financial sector, both domestically and internationally. In 2019, Külahçı joined Türkiye Kalkınma ve Yatırım Bankası A.Ş. as Director of Strategy, Organization, and Process Management. Since October 2022, he has been serving as Deputy General Manager responsible for Strategy, Organization, Finance, Budget and Cost Management, and Support Services.

Committees



The Board of Directors and Senior Management operate through 21 committees established to ensure the Bank's activities are carried out effectively. These committees function in accordance with the Bank's internal regulations and meet regularly to make decisions based on legal requirements, current developments, and the Bank's needs. The selection of committee members is also outlined in the internal regulations. Committee members consist of Board members and Bank personnel. Due to the requirement for independent members and the number of Board members, it is common for Board members to serve on multiple committees. The decisions made by these committees are critical to supporting the Bank's strategic objectives.

In line with the Bank's mission, vision, and values, roles and responsibilities are defined, and the organizational structure is built on these foundations. Within this framework, various committees have been established to support both the Board of Directors and Senior Management. Each committee operates under approved internal regulations, which are regularly reviewed. The committees carry out their duties in compliance with both internal and external regulations.

Committees

Assets and Liabilities Committee

The Assets and Liabilities Committee was established to ensure the effective and efficient management of the Bank's assets and liabilities. This committee aligns with the Bank's vision, mission, strategic objectives, and risk management policies. It considers key factors such as economic developments, interest rates, maturity durations, and currency preferences in its activities.

The Bank's Board of Directors established the committee on September 8, 2008, with decision number 213, and its regulations, which outline the rules and procedures, were updated on October 25, 2022, with decision number 246. The committee comprises Deputy General Managers and the Head of the Risk Management Department, chaired by the General Manager. In the absence of the Chair, the Deputy General Manager responsible for the Treasury presides over the meetings. Additionally, depending on the agenda, the Committee Chair may invite relevant department heads or personnel to the meetings.

In 2023, the committee made 14 decisions, significantly contributing to the Bank's progress toward achieving its strategic objectives.



Audit Committee

The Audit Committee is responsible for auditing the efficiency and adequacy of the internal systems of the Development and Investment Bank of Türkiye. The Committee carries out its activities to ensure that the accounting and reporting processes comply with legal regulations and to ensure the accuracy of the information produced.

Following the provisions of Article 24 of the Banking Law and the Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks, the Bank was established on October 31, 2006, with the decision of the Bank's Board of Directors, numbered 227.

The Audit Committee plays a critical role in assisting the Board of Directors with its audit and oversight responsibilities. The committee's activities are carried out by the Audit Committee Regulation, adopted by the Board of Directors on May 15, 2020, under resolution number 88. The Board of Directors appointed the committee members through resolution number 2023-11-02/158, dated August 10, 2023. The current members of the committee are Ömer Karademir, Erdal Erdem, Kerem Dönmez, and Zeynep Boğa. The Committee meets at least once every three months to review the Bank's internal audit processes. In 2023, the Committee held 16 meetings and passed 56 resolutions. These decisions have significantly contributed to improving the Bank's internal audit processes and fulfilling its legal obligations.

Loan Assessment Committee

The Loan Assessment Committee was established to define the principles and guidelines for lending in line with the general objectives and policies of the Development and Investment Bank of Türkiye. It is also responsible for updating these principles in response to changing conditions. The Committee is responsible for ensuring and monitoring the smooth flow of work, information, and documents between the Bank's units involved in credit operations. It also evaluates credit risk and the status of the credit portfolio, as well as reviews reports prepared by the relevant units regarding credit allocation. Additionally, the Committee considers the economic, social, and environmental aspects of sustainable development when making credit allocation decisions and conducting assessments within the Bank's Environmental and Social Policy framework.

The Committee is authorized to make decisions on matters such as deferring, restructuring, and rescheduling credit receivables within the established limits. It sets the procedures and principles related to the Bank's credit policies and aims to enhance the efficiency of the credit portfolio by developing strategies suited to changing conditions. Additionally, the Committee is tasked with formulating strategies for dealing with problematic or legally delinquent clients and reviewing proposals prepared by the relevant units.

The General Manager chairs the Loan Assessment Committee and includes relevant Deputy General Managers, such as those responsible for Human Resources, Financial Affairs, and Strategy units. In the absence of the General Manager, the Deputy General Manager chairs the meetings. Depending on the meeting agenda, other employees may be invited to attend the Committee meetings; however, they do not have voting rights.

In 2023, the Committee held 44 meetings and made 159 decisions, significantly contributing to the Bank's strategic objectives.

Corporate Governance Committee

The Development and Investment Bank of Türkiye established the Corporate Governance Committee to define its corporate governance policy and ensure compliance with corporate governance principles. This committee was formed under the Regulation on Corporate Governance Principles of Banks and the Corporate Governance Principles issued by the Capital Markets Board, under the Board of Directors' decision dated June 15, 2007, and numbered 185. The committee's working procedures and principles were initially defined by the decision dated July 24, 2007, and numbered 209. These principles were later revised on December 29, 2011, and converted into the Corporate Governance Committee Regulation, which was most recently updated on September 22, 2022.

The Corporate Governance Committee is responsible for developing the Bank's corporate governance policy, monitoring compliance with Corporate Governance Principles, and recommending improvements to the Board of Directors. In addition, under the framework of the Capital Markets Board's Corporate Governance Communiqué, the duties of the Nomination Committee are also carried out by the Corporate Governance Committee.

On August 10, 2023, the Board of Directors appointed independent and non-executive Board Member Kerem Dönmez as the Chair of the Corporate Governance Committee. In 2023, the Committee held two meetings and made two decisions. Continuing its efforts to improve the Bank's corporate governance practices, the Corporate Governance Committee aims to contribute to the Bank's strategic goals.

Executive Committee

The Development and Investment Bank of Türkiye established the Executive Committee to ensure the efficiency of daily management and operational processes. The Executive Committee oversees the Bank's operational activities, ensures the implementation of strategic decisions, and contributes to achieving the Bank's established goals. It is critical in ensuring effectiveness, efficiency, and compliance in the Bank's daily operations. The Committee meets weekly, directly assigns tasks to relevant units, and requests periodic or ad hoc reports to support its work.

Remuneration Committee

The Remuneration Committee evaluates the Development and Investment Bank of Türkiye's remuneration policies and practices from a risk management perspective and provides recommendations to the Board of Directors. Established by the Board's decision on December 8, 2011, following the Regulation Amending the Corporate Governance Principles of Banks published by the Banking Regulation and Supervision Agency on September 9, 2011 (No. 27959), the Committee approved the Bank's Compensation Policy on April 18, 2013, and enacted the Remuneration Committee Regulation on June 13, 2013.

On August 10, 2023, the Board of Directors reappointed the Committee members. In both 2022 and 2023, the Committee held one meeting and issued a decision for submission to the Board each year. The Committee plays a key role in ensuring the effectiveness and compliance of the Bank's compensation policies.



Sustainability Committee

The Development and Investment Bank of Türkiye established the Sustainability Committee to develop its sustainability strategy and policies and integrate them across all operations. The Committee manages setting sustainability goals, formulating policies, monitoring performance, and reporting. It also makes strategic decisions and develops innovative solutions by considering environmental, social, and corporate governance (ESG) factors.

The Committee operates under the Sustainability Committee Guidelines, updated in August 2021. Chaired by the General Manager, the Committee includes an independent Board Member, the Deputy General Manager responsible for the Sustainability and Environmental Social Impact Management Unit, the Deputy General Manager responsible for the Development Finance and Financial Institutions Unit, the Deputy General Manager overseeing Human Resources, Financial Affairs, and Strategy Units, the Manager of the Sustainability and Environmental Social Impact Management Unit, and other supporting members as designated by the Committee.

In 2023, the working group held two meetings on sustainability, where they decided to calculate Scope 3 emissions for 2021 (investment-related emissions) and approved a comparison of the last three years (2021, 2022, and 2023). Additionally, **the Bank aims to have its sustainability goals validated by the Science Based Targets initiative (SBTi) and is currently developing its science-based targets. These targets are planned to be submitted for validation in the coming year.** In the first quarter of 2024, the Sustainability Committee convened at the Board of Directors level and shared updates as part of the evaluation of 2023 targets. The Committee made three key decisions: to collaborate with universities on sustainability initiatives, to have the Bank's social specialists receive Social Impact Management and Social Return on Investment (SROI) training accredited by Social Value International, and to join Social Value Türkiye. Additionally, the Committee decided to enhance the Bank's Climate Change Mitigation and Adaptation Policy.

Business Continuity and Emergency Committee

The Development and Investment Bank of Türkiye established the Business Continuity and Emergency Committee to create a business continuity management structure and ensure the effective management of policies, plans, tests, and actions in this area. The Committee is responsible for identifying potential risks, planning emergency scenarios, developing business continuity strategies, and monitoring the implementation of these strategies. It also oversees organizing emergency-related training, continuously monitoring risks, and coordinating improvement efforts. By taking strategic measures to ensure the Bank's business continuity, the Committee guarantees the uninterrupted operation of its processes. In 2023, the Committee met twice and made six decisions regarding business continuity plans and tests.

Discipline Board

The Development and Investment Bank of Türkiye formed the Information Security Committee to enforce its Information Security Policy and review compliance. The Committee sets the Bank's information security strategies, assesses the effectiveness of security measures, and ensures the consistent implementation of related policies.

Information Security Committee

The Development and Investment Bank of Türkiye formed the Information Security Committee to ensure the implementation of its Information Security Policy and review compliance. The Committee establishes the Bank's information security strategies, evaluates the effectiveness of security measures, and monitors the consistent application of related policies.

IT Strategy and Monitoring Committee

The Development and Investment Bank of Türkiye established the Information Systems Strategy and Monitoring Committee to ensure the effective use of investments and alignment of the Bank's business and technology goals in line with the information systems strategy plan requirements. The Committee sets priorities for information systems investments and projects, monitors the status of ongoing projects, and resolves resource conflicts between projects to ensure progress. It also provides guidance to ensure compliance of the information systems architecture and projects with regulations and monitors service levels. The Committee guides technology management in accordance with the strategic plan and works to ensure the efficient use of investments.

Procurement Committee

The Development and Investment Bank of Türkiye established the Procurement Committee to determine the procurement principles, make necessary changes, and direct the procedures and principles related to purchase, sale, construction, and leasing within the determined committee limit. This committee determines the Bank's procurement policies and procedures, manages supplier selection processes, and ensures that procurement activities are carried out effectively and efficiently.

IT Systems Continuity Committee

The Development and Investment Bank of Türkiye established the Information Systems Continuity Committee to ensure the uninterrupted operation of IT systems and applications in situations threatening corporate activities. The Committee develops the necessary conceptual framework and manages continuity planning processes to maintain the continuity of IT systems. It leads critical activities such as identifying business continuity measures, developing emergency scenarios, creating backup and recovery strategies for the IT infrastructure, and taking necessary precautions to ensure the Bank achieves its continuity goals and maintains uninterrupted operations.

Turkish Financial Reporting Standards (TFRS9) Committee

The TFRS 9 Committee at the Development and Investment Bank of Türkiye was established to ensure compliance with the Turkish Financial Reporting Standards (TFRS 9). The Committee oversees the proper implementation of TFRS 9 within the Bank's financial reporting processes, which involve assessing financial instruments, credit losses, and provisioning. It is responsible for interpreting the standards, guiding relevant departments, and ensuring that the Bank's financial statements are prepared in accordance with these regulations, thus ensuring transparency and accuracy in financial reporting.

Human Resources Committee

The Development and Investment Bank of Türkiye formed the Human Resources Committee to manage workforce planning and support employee training and development. The Committee defines the Bank's human resources strategies, analyzes workforce needs, and effectively oversees recruitment and placement processes.

Innovation and Business Development Committee

The Development and Investment Bank of Türkiye established the Innovation and Business Development Committee to evaluate and realize new products, services, and business development opportunities. This committee determines the Bank's innovation strategies, conducts market analysis, assesses customer needs, and contributes to the Bank's growth by exploring new business opportunities. The Committee convened twice in 2023 and made 5 decisions.



Personal Data Protection (PDP) Committee

The Personal Data Protection (PDP) Committee was established to formulate and implement the Personal Data Protection Policy of the Development and Investment Bank of Türkiye. The Committee monitors compliance with the Law on the Protection of Personal Data, takes continuous improvement and corrective or preventive steps, and recommends these issues to the Board of Directors. The PDP Committee ensures that the Bank fully complies with the legal requirements regarding the security and confidentiality of personal data and that the data is effectively protected.

Information Sharing Committee

The Information Sharing Committee was established within the scope of the Regulation on the Sharing of Confidential Information of the Development and Investment Bank of Türkiye to coordinate the sharing of such information in accordance with the principle of proportionality. The Committee evaluates incoming information-sharing requests, determines their appropriateness, and records this process. It also determines the necessary policies and procedures to ensure the security of the Bank's confidential information and ensures that information sharing between the relevant units is carried out in a harmonized and secure manner. The Information Sharing Committee plays a critical role in the protection and secure sharing of confidential information.

Financial Institutions Committee

The Financial Institutions Committee was established by the Development and Investment Bank of Türkiye to set limits for transactions with financial institutions. This committee manages the Bank's relations with financial institutions and makes decisions by determining the procedures and principles of transactions such as purchase and sale, leasing, and construction with these institutions.

Ethics Commission

An Ethics Commission has been established to guide and advise all employees of the Development and Investment Bank of Türkiye on ethical behavior issues. The Commission is responsible for evaluating ethical practices while supporting the establishment and development of an ethical culture within the Bank. The Ethics Commission works on policy formulation and implementation of these policies to ensure compliance with ethical standards. It also addresses the ethical issues of the personnel, organizes ethics training, and takes various measures to promote an ethical culture. The main objective of the Commission is to ensure that the Bank operates in accordance with ethical values and to encourage ethical behavior of employees.

Strategic Guidance Committee

The Strategic Guidance Committee was established to shape the Development and Investment Bank of Türkiye's vision for the future and evaluate its strategic goals. The Committee aims to strengthen cooperation among departments and reinforce the institutional structure by supporting change and transformation processes within the Bank. To this end, it ensures that a bank-wide culture is established, strategic business plans are prepared, and these processes are effectively coordinated. In addition, the Strategic Guidance Committee evaluates the Bank's overall performance and provides the necessary guidance to ensure that the set performance targets are achieved. In this way, it determines the Bank's long-term strategies and supports sustainable growth and lasting success. The Committee convened twice in 2023 and made 11 decisions in total.



Impact Management and Corporate Governance Performance

Sustainability and Environmental Social Impact Management Activities

Distinguished by its commitment to sustainable development and responsible banking, the Development and Investment Bank of Türkiye became the first institution in Türkiye to sign the Impact Management Principles (Impact Principles).

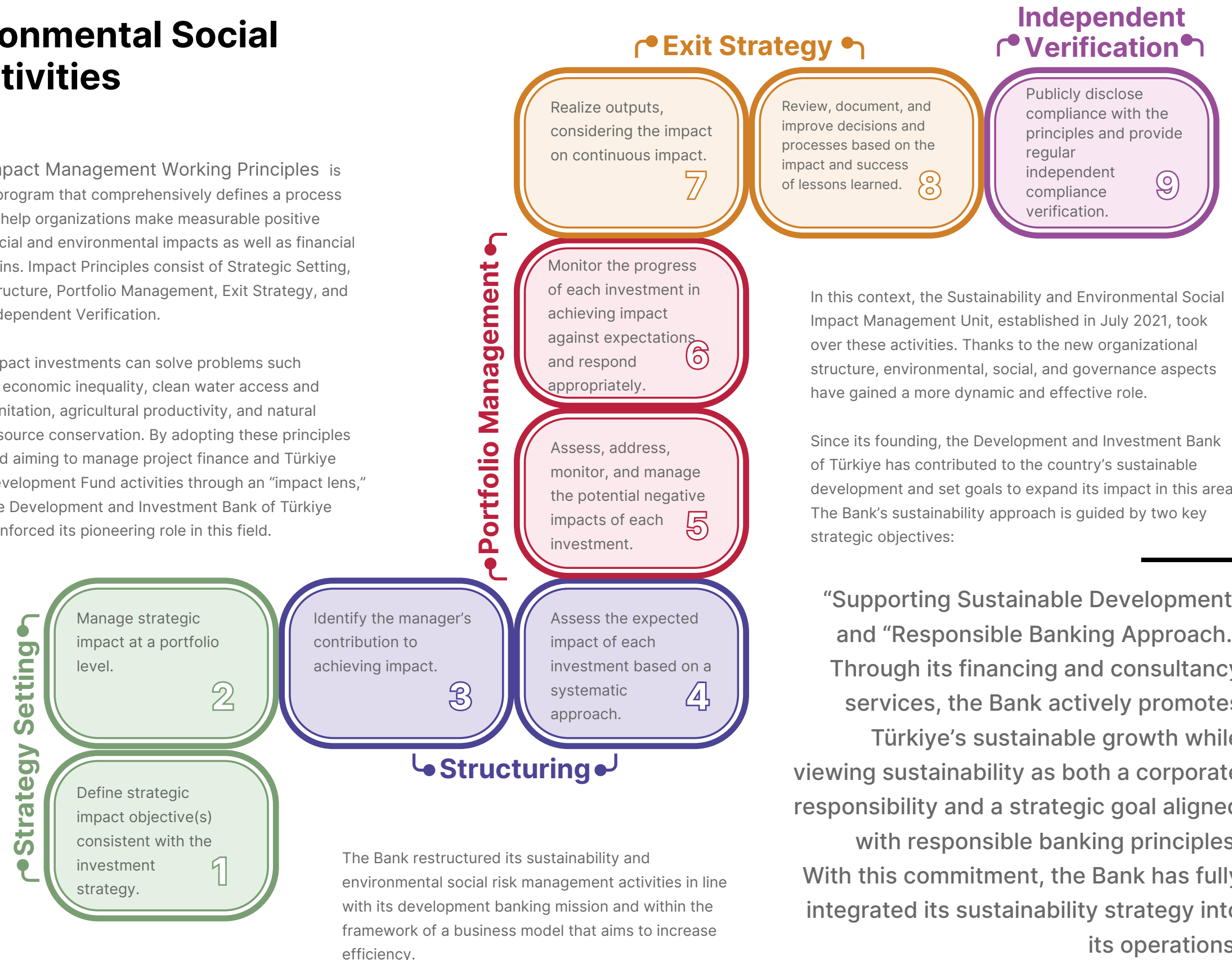
The Bank manages corporate banking, project finance, venture capital, and private equity investments in line with global impact standards and adopts an impact-oriented approach to these activities, ensuring greater discipline, transparency, and measurability.

In September 2022, the Bank published its first Impact Report in line with Türkiye's Impact Principles. This report, in which the Bank clearly shares its strategy, impact management systems, and processes to create positive environmental and social impact, was also subjected to an independent assurance audit.

As a signatory to the Impact Principles, the Bank publishes a regular assurance audited Impact Report statement every year.

Impact Management Working Principles is a program that comprehensively defines a process to help organizations make measurable positive social and environmental impacts as well as financial gains. Impact Principles consist of Strategic Setting, Structure, Portfolio Management, Exit Strategy, and Independent Verification.

Impact investments can solve problems such as economic inequality, clean water access and sanitation, agricultural productivity, and natural resource conservation. By adopting these principles and aiming to manage project finance and Türkiye Development Fund activities through an "impact lens," the Development and Investment Bank of Türkiye reinforced its pioneering role in this field.



The Bank's senior management embraces sustainability issues and leads developments in this area. Established in 2020, the General Manager chairs the Sustainability Committee, and an independent member of the Board of Directors is also included in the committee to fulfill the committee's steering and oversight duties more effectively. Adopting the "Sustainable Development Goals" set by the United Nations in 2015, which includes 17 targets, as a guide, the Bank contributes directly or indirectly to 15 of these goals with its role in supporting sustainable development and a responsible banking approach.

In 2021, by publishing its first integrated report, the Development and Investment Bank shared with all its stakeholders its contributions to Türkiye's sustainable development over 48 years. The report highlights the Bank's value creation model and strategy, its capital components, its goals, and the economic, environmental, and social value generated through its banking activities.

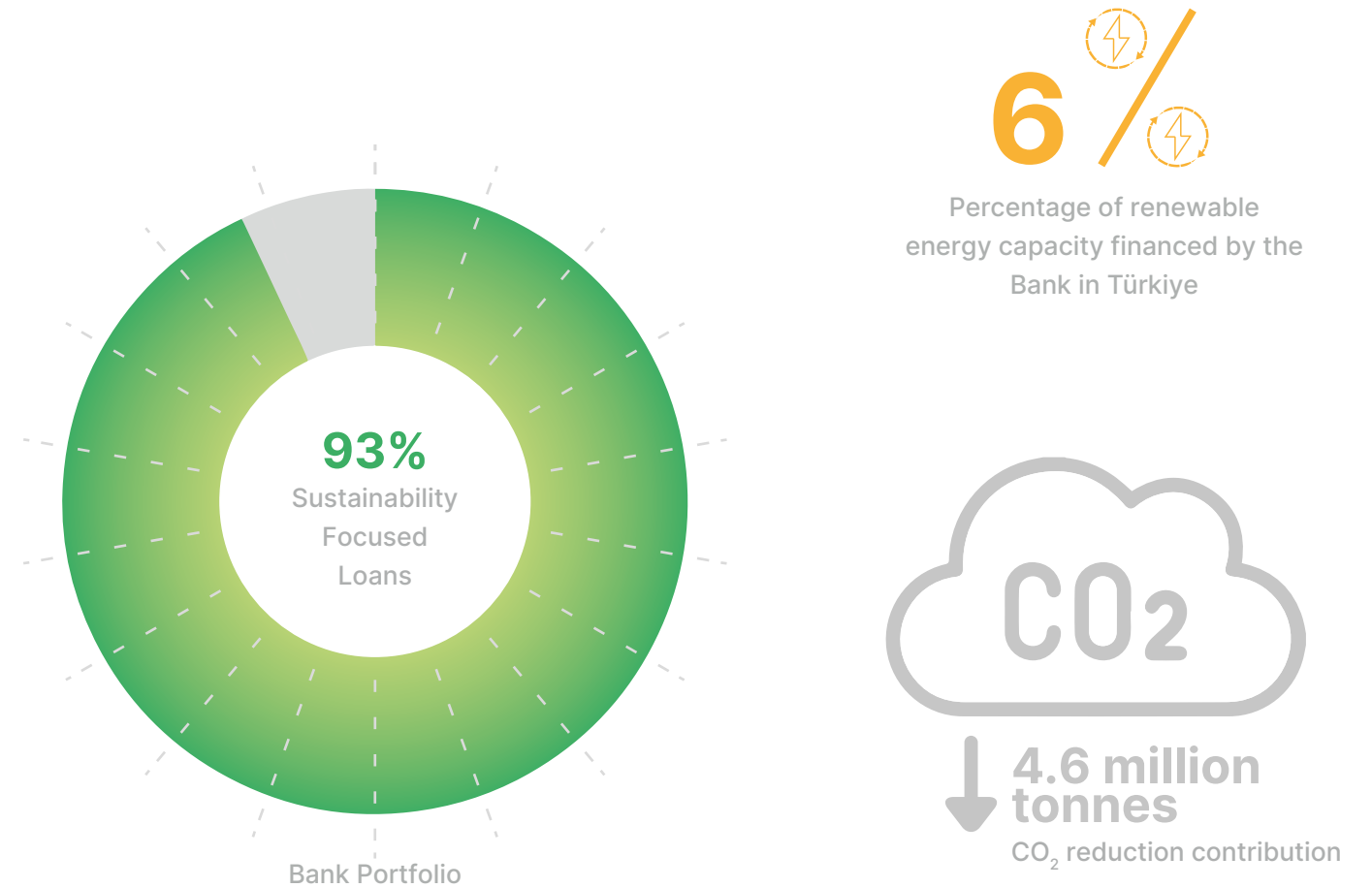
This report is based on the Global Reporting Initiative (GRI) Standards and the International Integrated Reporting Framework presented by the Value Reporting Foundation. In September 2023, the Bank published its Integrated Report for 2022, which includes portfolio emission calculations and employment data provided by loans.

In addition to the environmental and social risks arising directly from its operational activities, TKYB also manages indirect risks arising from its lending activities. Accordingly, the Bank's portfolio emissions have been calculated, greenhouse gas emissions arising from the loan portfolio for 2021 and 2022 have been evaluated according to the PCAF (Partnership for Carbon Accounting Financials) methodology, and the entire portfolio has passed the independent verification process. These calculations are included in the Bank's Integrated Report.

The Bank conducts environmental and social risk assessments as part of the decision-making process in all credit transactions and analyzes the risks of both customers and projects separately. Beyond the risk-based approach, activities that can create a positive impact are also prioritized. These analyses are of great importance to the Bank in minimizing the risks related to reputational, environmental, and social liabilities in the loans granted.

Within this framework, all lending activities are evaluated in accordance with national environmental and social laws and regulations, the Bank's own policies and procedures, and, where necessary, other environmental and social standards with which the Bank is committed to comply. The Board approved the Bank's approach of Directors, and the "Environmental and Social Policy" and "Environmental and Social Risk Assessment Procedure" were published in 2020.

In 2022, the Bank's Sustainable Financing Framework was published and prepared in accordance with the ICMA (International Capital Markets Association) Green Bond Principles, ICMA Social Bond Principles, LMA (Loan Market Association) Green Loan Principles and LMA (Loan Market Association) Social Loan Principles and Second Party Opinion (SPO) was obtained.



To align its loan portfolio with the Sustainable Development Goals (SDGs), the Investment and Development Bank of Türkiye has made it an integral part of its credit assessment processes to evaluate projects aligned with their contribution to the SDGs. By the end of 2023, 93% of the Bank's portfolio consisted of sustainability-oriented loans. In 2023, the Bank provided more than 2.6 billion USD in total financing in loans linked to the United Nations Sustainable Development Goals, thus contributing directly or indirectly to 15 of the 17 SDGs. By the end of 2023, the Bank financed 6% of Türkiye's renewable energy capacity and contributed to the reduction of 4.6 million metric tons of CO₂ through the projects it financed.

Management Systems

The Bank is committed to sustainability and operational excellence by continuously improving its environmental and management systems. With the ISO 14001 Environmental Management System established in 2010, the Bank carries out the necessary activities to identify and reduce negative environmental impacts, increase positive impacts, reduce resource use, and monitor performance to manage the environmental impacts arising from its activities. In 2023, no nonconformities were found in the ISO 14001 surveillance audit, and the process was successfully completed.

In 2020, to expand the scope of management systems, the necessary steps were taken to transition to an integrated management system that includes the ISO 9001 Quality Management System, ISO 45001 Occupational Health and Safety Management System, and ISO 14001 Environmental Management System. As a result of these efforts, ISO 9001 and ISO 45001 certificates were obtained in 2021.

In 2022, the Bank took new steps to further expand its management system with a focus on customer satisfaction. In this context, the Bank obtained ISO 10002 Customer Satisfaction Management System certification to manage, evaluate, and mitigate customer complaints, increase customer satisfaction, and meet future customer expectations. After receiving this certificate, the Bank established a Quality, Customer Satisfaction, Environment, Occupational Health and Safety Policy and shared it with all stakeholders.



The Bank has also made significant progress in information security, complying with the ISO/IEC 27001:2013 Information Security Management System Standard, the only internationally auditable standard that specifies information security controls and requirements, and obtaining the certificate of this standard. In 2020, in addition to the two memorial forests in Ankara, a new memorial forest was established in Istanbul. These three memorial forests have a total of 20 thousand trees and prevent the emission of approximately 435 metric tons of carbon dioxide each year.

The Bank monitors and calculates greenhouse gas emissions from both operational and indirect activities, verifies these data in accordance with TS EN ISO 14064 Standard, and neutralizes them in accordance with international standards. In addition, an IREC certificate was purchased in 2023, and Scope-2 emissions for 2022 were zeroed. In the 2023 Integrated Management System audit, the process was successfully completed without any nonconformities being detected. These achievements once again confirm the Bank's commitment to sustainability and operational excellence.

TKYB's Current Management System Certificates

ISO 9001 Quality Management System

ISO 10002 Customer Satisfaction Management System

ISO 14001 Environmental Management System

ISO 27001 Information Security Management System

ISO 45001 Occupational Health and Safety Management System



Successful ESG Performance



In 2023, the Bank achieved significant international success in the areas of sustainability and Environmental, Social, and Governance (ESG). As a result of the evaluations conducted by Sustainalytics, the Bank won titles in both the “ESG Industry Top Rated” and “ESG Regional Top Rated” categories and was among the 50 banks included in this prestigious list.

This success was achieved in a process in which approximately 15,000 institutions worldwide were evaluated, and the Bank has positioned itself among the leading institutions in Türkiye with a low-risk rating (12.3). These achievements internationally confirm the Bank’s superior environmental, social, and governance performance.

The Bank’s commitment to environmental sustainability is also supported by regular reporting to the Climate Change Program of CDP (Carbon Disclosure Project), the world’s largest environmental reporting platform.

Reporting to CDP since 2016, the Bank achieved a B (Management Level) score in 2023. During these reports, the Bank voluntarily provides information on strategy, governance, emission metrics, targets, performance, and value chain interactions while assessing its risks and opportunities related to climate change.

These comprehensive assessment and reporting processes reflect the Bank’s commitment to making its sustainability and ESG efforts transparent and measurable.

Impact Investing Through Collaboration

The Development and Investment Bank of Türkiye aims to continuously improve its impact management systems at the international level and believes that good practices in this field should be taken as an example. In this context, the Bank actively participated in the United Nations Global Compact’s Young SDG Innovators Program in 2021. This program supports young talents who aim to contribute to sustainable development goals with innovative solutions and offers them the opportunity to assume leadership roles in the business world. Within the scope of the program, the Bank encouraged young talents to develop sustainability-oriented projects, focusing on innovative solutions in areas such as carbon reduction, waste management, and energy efficiency. The duration of the program was ten months, during which participants had the opportunity to solve real-world sustainability challenges. By supporting these innovative approaches by young talents, the Bank aims to strengthen its corporate sustainability strategies and successfully realize its sustainability goals for the future.

Recognizing impact management systems as an area in need of continuous improvement on an international scale, in 2021, the Development Investment Bank became the first and only institution in Türkiye to adopt this initiative by signing the Impact Management Working Principles led by the International Finance Corporation (IFC). In line with these principles, the Bank recognizes global standards for activities that aim to generate financial returns and positive environmental and social impacts.

In this context, the Bank is a member of the Global Impact Investing Network (GIIN), which aims to make impact investing more mainstream. By participating in this network, the Bank goes beyond financial performance, strongly emphasizing social and environmental benefits. GIIN membership reinforces the Bank’s strategic commitment to creating multidimensional value through impact investing.

In line with its commitment to sustainability, the Bank is a signatory to the United Nations Global Compact, and in 2023, the Bank published the UN Global Compact Communication on Progress online to reinforce this commitment.

These memberships are among the fundamental elements that shape the Bank’s sustainability policies in the international arena.

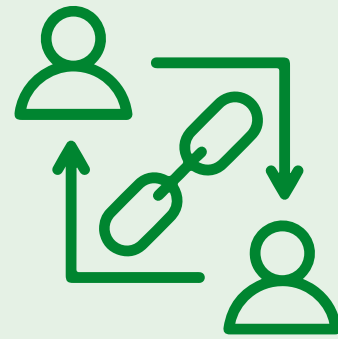
Joining the Integrated Reporting Türkiye Network (ERTA) in 2021, the Bank plays an active role in the integrated reporting process and continues participating in ERTA working groups as of 2023. In addition, with the cooperation protocol signed with Istanbul Technical University in 2021, the Bank started to take concrete steps to combat climate change.

To strengthen its environmental and social management capacity, the Bank's Environmental and Social Management System is becoming more innovative and flexible thanks to the technical assistance received under a grant agreement with KfW. By 2023, the Bank aims to accelerate these efforts and improve its Environmental and Social Risk assessment processes.



As part of the Bank's Sustainable Eurobond program with the French Development Agency (AFD), a Gender Equality Technical Assistance Program was launched in 2023. The program aims to develop a gender strategy for the Bank's internal practices and customer operations. It also seeks to establish a system aligned with the Gender Equality Analysis and the OECD Development Assistance Committee classification to enhance the role of equality in the impact assessment of projects financed by the TKYB. By doing so, the Bank aims to make equality a central focus of its activities and become a leader in reducing inequalities, sharing this commitment with its stakeholders. In this context, the Frankfurt School of Finance & Management, serving as the Technical Assistance Consultant, conducted a comprehensive analysis of the Bank's internal and external practices on gender equality.

The Bank participated in the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28), held in Dubai from November 30 to December 12, 2023, where it engaged in key discussions on providing resources to help Türkiye combat climate change and finance adaptation efforts. This participation underscores the Bank's active role in global climate finance.



Compliance with Corporate Governance Principles

Türkiye Kalkınma ve Yatırım Bankası A.Ş. (TKYB) continues its operations in compliance with Law No. 7147, the Banking Law, and other relevant legal regulations and continuously improves its corporate performance within this framework. The Bank demonstrates a high performance in compliance with the Corporate Governance Principles determined by the Capital Markets Board (CMB); while fully complying with the mandatory principles, the Bank also makes maximum effort to comply with the non-mandatory principles. This approach demonstrates the Bank's commitment to the principles of transparency, accountability, and effective governance. TKYB aims to achieve full compliance with the non-mandatory Corporate Governance Principles, but full compliance has not yet been achieved due to the implementation difficulties encountered in some principles and the incompatibility of these principles with the current market structure. However, the Bank continues to work on the administrative, legal, and technical infrastructure to implement these principles, and it plans to take steps to raise corporate governance standards further when these processes are completed. These efforts support the Bank's long-term corporate success and reinforce its leading position in the sector. In accordance with the Capital Markets Board (CMB) decision dated January 10, 2019, numbered 2/49, Corporate Governance Compliance Reporting is conducted on the Public Disclosure Platform (PDP) using the Corporate Governance Compliance Report (CRF) and Corporate Governance Information Form (CGIF) templates, as outlined in the Corporate Governance Communiqué No. II-17.1. The relevant reports can be accessed under the "Corporate Governance" and "Corporate Governance Principles Compliance Report" tabs on the PDP Platform.

These reports and the form are available on the Bank's website at <https://www.kap.org.tr/tr/sirket-bilgileri/ozet/2426-turkiye-kalkinma-ve-yatirim-bankasi-a-s> under the headings "Corporate Governance" and "Corporate Governance Principles Compliance Report."



As per the regulation, the main principles that have not yet fully complied with the non-mandatory Corporate Governance Principles have been explained, and the details regarding these issues are included in the relevant sections of the report. However, the lack of full compliance with the non-mandatory principles is managed in line with the Bank's approach to minimizing the risk of conflict of interest and securing its corporate performance.

Increased Success in Corporate Governance

In its first corporate governance rating study last year, the Development and Investment Bank of Türkiye achieved a high score of 9.32, placing it in the first group of the World Corporate Governance Index. This year, the Bank's performance in the field of corporate governance was further strengthened, and the CMB Corporate Governance Principles Compliance Rating Score was raised to 9.40 in the report dated April 14, 2023, prepared by Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş.

This growth highlights the Bank's ongoing efforts to enhance its corporate governance practices and reinforces its strong commitment to transparency, accountability, responsibility, and fairness. It showcases the Bank's leadership and dedication to upholding the highest standards of corporate governance.

The Bank's score of 9.40 this year demonstrates that the Bank's corporate governance practices have performed strongly in all four main sections. The table below provides detailed information on the Bank's compliance ratings in these sections.

Corporate Governance Compliance Rating

Shareholders	Public Disclosure and Transparency	Stakeholders	Board of Directors	Corporate Governance Principles Compliance Rating Score
Percentage	25%	25%	15%	35%
Rating	9.41	9.79	9.81	8.93
Final Rating				9.40

Board of Directors Summary Report

The global economy continued to slow down in 2023, reflecting the tight monetary policies implemented to combat global inflation and ongoing geopolitical risks. In addition, the global transition to renewable energy sources accelerated, and investments in clean energy sources such as solar and wind energy increased. This led to important steps to reduce carbon emissions and combat climate change.

In 2023, as global recession concerns grew and we faced the disaster of the century, the Turkish economy continued to grow, supported by strong domestic demand. Additionally, Türkiye made significant progress in the energy sector. Investments in renewable energy, particularly solar and wind projects, continued to rise. With a focus on energy efficiency and environmentally friendly technologies, steps were taken to make Türkiye fully energy-independent and to utilize domestic energy resources.

According to our Bank's year-end financial indicators, our assets grew by 47.2% to reach 134.8 billion TL as of year-end 2023. By the end of 2023, our loans, which comprised 62.4% of our total assets, grew by 39.5%, reaching 84.2 billion TL. The gross non-performing loan rate, a key measure of asset quality, dropped by 0.5 points compared to the previous year, settling at 1% at year-end. Our capital adequacy ratio, which was 16.7% in December 2022, rose to 16.9% by December 2023.

Since its founding, our Bank has focused on sustainable development and actively realized environmentally and socially sensitive investments. With its strong capital structure, competence in development and investment banking, Türkiye Development Fund, and its goal of bringing depth and diversity to Türkiye's capital markets, our Bank will continue to work towards our country's sustainable growth and development.

As the Board of Directors of the Development and Investment Bank of Türkiye, we would like to extend our gratitude to all our stakeholders who contributed to all our activities in the 2023 operating period and present the Board of Directors' and Auditors' Reports and financial reports of the Development Investment Bank of Türkiye for the year 2023 for your consideration.

Corporate Risk Management

The Development and Investment Bank of Türkiye implements a comprehensive risk management strategy to effectively manage the risks it may face in its fields of activity. This strategy is based on detailed procedures covering the processes of identifying, assessing, and controlling risks. Thus, the Bank can continue its operations without deviating from its strategic goals and ensuring operational continuity. The risk management process consists of basic stages that ensure that risks are identified, measured, monitored, and managed in accordance with national and international regulations. This process is carried out within the limits set by the Board of Directors and enables the Bank to control risks effectively.

The Risk Management Unit within the Bank continuously monitors both current and potential risks, preparing periodic reports accordingly. These reports are generated on a daily, weekly, monthly, and annual basis, tailored to meet the Bank's needs and regulatory requirements, and are shared with the Audit Committee, Board of Directors, and senior management. The unit's primary responsibilities include identifying, measuring, analyzing, and reporting risks, as well as implementing necessary measures to mitigate these risks.

In this context, the Bank's sensitivity to factors such as interest rates and exchange rates is analyzed daily under various scenarios, with daily limits and liquidity indicators closely monitored. Additionally, duration analyses are conducted on the Bank's securities portfolio, and the compliance of collateral letters with the Bank's limits is evaluated. Weekly reports cover general economic assessments and analyses of liquidity and foreign exchange risks, while the monthly risk analysis reports provide a more comprehensive risk evaluation, which is submitted to senior management and relevant committees.

The Risk Limits Monitoring Report provides information on the actual results of risk limits approved by the Board of Directors. In line with formats set by the Banking Regulation and Supervision Agency (BRSA), the Bank calculates and submits reports to the BRSA on areas such as capital adequacy ratios and operational risk.

As part of regulations governing the internal capital adequacy assessment process (ICAAP), the Bank implements the ICAAP framework to establish internal capital targets that align with its risk profile and operating environment.

Under this process, the Bank prepares an ICAAP report annually, based on its year-end financial statements and in a comprehensive format, which is submitted to the BRSA by the end of March each year. The Internal Capital Adequacy Assessment Process (ICAAP) Report for 2023 was completed by the Risk Management Unit in March 2024, approved by the Board of Directors, and subsequently submitted to the BRSA.

The organizational structure of the Development and Investment Bank of Türkiye has six main committees that are critical in shaping decision-making and risk management processes: Asset-Liability Committee, Credit Assessment Committee, Audit Committee, Turkish Financial Reporting Standards (TFRS) 9 Committee, Executive Committee, and Corporate Governance Committee. These committees are the fundamental building blocks that guide the Bank's overall risk posture and tolerance level by determining the Bank's risk strategies and practices. These committees play a critical role in the design and implementation of the Bank's overall risk management process and contribute to the Bank's effective risk management.



Within the scope of the corporate risk management of the Development and Investment Bank of Türkiye, committees and decision-making mechanisms play an active role, along with risk budgeting practices, ensuring that risk management processes function properly and effectively. The "Risk Management Strategies, Policies and Implementation Principles" document adopted by the Board of Directors sets out the Bank's overall risk policy. This policy is based on specialization in areas of activity, acceptance of identifiable and manageable risks, and avoidance of unavoidable risks.

As the Bank aims to specialize in business areas aligned with its vision and structure, it takes the necessary precautions to ensure that the risks it plans to assume are identifiable and manageable. Legally mandated risk measurement and reporting techniques are used in conjunction with internal risk measurement methods to assess both the current and potential future impacts of the risks undertaken. Additionally, stress tests and scenario analyses are conducted to generate forward-looking insights, which are then validated through backtesting to ensure a solid foundation for decision-making.

The Risk Management Unit establishes written limits for quantifiable risks arising from the Bank's activities in accordance with BRSA regulations. The primary document defining the Bank's risk appetite, titled "Risk Limits and Implementation Principles," is updated annually or as needed and submitted for approval to the Board of Directors. The Bank's risk appetite is measured by conducting its activities within these established limits, which the Board approves. The Risk Management Unit regularly monitors the Bank's operations to ensure compliance with these limits. In the event of any breaches, swift actions are taken to bring the risks back within the designated limits as quickly as possible.

Systemic Risk Management

To manage potential risks specific to macroeconomic indicators and bank operations, the TKYB adopts a comprehensive systemic risk management approach. This approach includes regularly updated stress tests and scenario analysis to ensure capital adequacy and operational resilience. Here are the main methods and processes applied in this context:

1) Stress Tests and Scenario Analysis

Risk Identification and Assessment: The Bank conducts regular stress tests to identify risks that may arise in the face of sudden and unexpected macroeconomic changes, such as income/expense impact, capital loss, economic value change, and liquidity adequacy. These studies are carried out in accordance with the provisions of the Banking Regulation and Supervision Agency's (BRSA) "Stress Test Program" and related guidelines.

Reporting Process: Stress tests and scenario analyses are reported to Senior Management, the Audit Committee, and the Board of Directors on a daily, weekly, and monthly basis. These reports help to determine the measures and action plans to be taken within the framework of the Bank's risk management policies.

3) Regulatory Requirements and Reporting

BRSA Regulations and Compliance: Within the framework of the ICAAP Best Practice Guidelines published by the BRSA, the Bank applies capital modeling, scenario analysis, and stress tests in all departments. In this context, the previous year's ICAAP report is reviewed and updated with the participation of all departments.

Internal Capital Assessment Process: While preparing the ICAAP report, the Bank's capital needs, current and future operational targets, risk appetite, and current risk profile are considered. Thus, capital planning and strategic decisions are shaped in the light of these comprehensive assessments.

2) Internal Capital Adequacy Assessment Process (ICAAP) Report

Internal Capital Requirements: The ICAAP report is based on calculating the internal capital required in the event of the realization of potential risks that the Bank may face in the next three years. The report is integrated into the strategic planning process and determines the Bank's capital requirements and risk management strategies.

Scenario Use and Capital Planning: The report is prepared through stress tests and scenario analyses covering Pillar 1 and 2 risks. These scenarios are based on various assumptions, such as possible disruptions in loan repayments. Based on the results of these analyses, the Bank's pro forma financial statements and liquidity planning are prepared.

Capital Inadequacy Status: If the capital needs that may arise cannot be met with the existing capital, a capital plan is prepared by the bank management for the sustainability of the activities and capital in a way that maintains the minimum capital adequacy ratio.



4) Strategic Plan and Risk Management

Financial Statement Revisions: Based on the findings of the ICAAP report, pro forma financial statements covering the next three-year period are regularly revised within the scope of the Bank's strategic plan. In this way, the Bank's growth and profitability targets are updated, and future plans are made.

5) Business Continuity

Business continuity tests, emergency drills, and communication chain tests are regularly carried out to ensure the continuity of critical business processes within the scope of business continuity activities of the Development and Investment Bank of Türkiye and to restore the processes with minimum damage in case of interruptions and within the planned periods.

Thanks to this systematic and detailed approach, the Development and Investment Bank of Türkiye manages potential risks effectively and aims to maintain capital adequacy at a sustainable level.

Ethical Conduct, Human Rights and Anti-Corruption

Ethics and Compliance

Our Bank adopts the principle of preventing conflicts of interest, preventing unfair competition and corruption, and providing ethical and fair working conditions for its employees within the framework of ethical and compliance principles in the context of all business relations. The Bank adopts the Banking Ethical Principles determined by the Banks Association of Türkiye and its own Ethical Principles Agreement and considers it a responsibility to act in accordance with these values. In addition, the Bank signs “Ethical Contracts” with all its employees, and these contracts are carefully kept in personnel files.

TKYB has a policy of maintaining strong and continuous communication with its stakeholders, customers, and beneficiaries. To this end, the “Complaint Management Procedure” is in place for projects carried out with International Financial Institutions (IFIs). The notification center in the Bank’s internal systems provides a platform where Bank employees can submit their whistleblowing, ethics, suspicious transactions, suggestions, and complaints. In addition, employees who are not involved in IFI projects can also send their complaints and suggestions on ethical issues to specially created e-mail addresses. These mechanisms enable employees and other project participants to submit their complaints about IFI projects through established communication channels and processes.

Suggestions and complaints can be submitted via the Customer Suggestions and Complaints Form available at <https://kalkinma.com.tr/bize-ulasin/iletisim-bilgileri>. Employees may report violations of the “Code of Ethical Conduct” and any instances of misconduct to etikhatti@kalkinma.com.tr



Employees can report any practices that violate laws and regulations by using the email address ihbarhatti@kalkinma.com.tr.



In addition, Bank employees can submit their consultation requests regarding responsible business conduct policies and practices directly to the Strategy and Organization unit through the Idea Platform on the Bank’s Intranet portal.



For reporting ethical issues, there is also a dedicated email address, ihbar@kalkinma.com.tr. Reports submitted through this address are forwarded to the Internal Control and Compliance Unit (ICCU). After an initial assessment, the Head of the Internal Control and Compliance Unit forwards any valid reports to the Head of the Audit Committee for necessary action.



This information is transparently shared on the bank’s website to ensure continuous communication on ethics and compliance matters within our bank. Additionally, the bank details these complaint mechanisms to all employees and individuals involved in projects as part of its awareness efforts. All reports made through these channels are handled confidentially. Violations and misconduct reports submitted via the ethics hotline are directly forwarded to the General Manager, ensuring that senior management is involved in the processes related to ethical violations.

To take its ethics and compliance approach one step further, TKYB signed the United Nations Global Compact and committed to integrating globally accepted principles such as human rights, labor, environment, and anti-corruption into its business processes. The UN Global Compact is an initiative that encourages businesses around the world to operate in a more sustainable and responsible manner. By signing this agreement, our Bank adopts and implements global standards in all its business processes in terms of respecting universal human rights, assuming environmental responsibility, protecting the rights of employees, and fighting corruption.

The Bank’s ethical framework is built around the “TKYB Code of Conduct” and the “Environmental and Social Policy” and is further supported by the following policies and procedures:

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

TKYB’s Code of Conduct covers responsibilities towards customers, the banking industry and colleagues, the bank, society and business relations, relations with the media and external organizations, confidentiality clauses, and measures against laundering proceeds of crime. In line with these ethical principles, TKYB defends customer rights within the legal framework, avoids activities that may lead to unfair competition, and observes equal opportunity in its internal operations. The Bank provides financing and consultancy services that support the sustainability of society and the environment while protecting its own reputation. In its business relations, TKYB acts in accordance with the Conflict of Interest Policy.

All activities conducted at the bank are carried out in compliance with regulations, internal policies, and banking practices. The integrity and reliability of the accounting and reporting system, as well as the timely availability of information, are ensured through ongoing control activities that must be adhered to by personnel at all levels. These control measures also serve to enhance efficiency and effectiveness in operational activities. In its relations with the media and public institutions, TKYB prioritizes social benefit, individual rights, and impartiality. The principle of confidentiality is managed by the Bank’s relevant policies and procedures in accordance with Law No. 6698 on the Protection of Personal Data. These ethical principles enter into force as of the date of approval by TKYB’s Board of Directors.

The Bank’s ethical principles are not only limited to the Bank’s employees and customers but also play a decisive role in the Bank’s relations with its business partners and suppliers. In this respect, TKYB’s Code of Conduct is also of great importance. The Bank observes high standards in its relations with its suppliers and expects them to comply with the following issues within the framework of these principles:

- Standards at workplace
- Health and safety measures
- Regulating wages and working hours
- Freedom of unionization and collective bargaining
- Forced or compulsory labor
- Prevention of child labor
- Combating discrimination
- Prevention of harassment and abuse
- Compliance with laws and regulations
- Sustainability principle

These principles reinforce TKYB’s commitment to a sustainable and responsible business model while ensuring that all stakeholders in the supply chain comply with these standards.

Combating Conflict of Interest and Anti-Competitive Behavior

Our Bank adopts high standards in ethics and compliance and implements comprehensive policies in these areas. The Bank has an Ethics Commission that operates in accordance with the relevant regulations. This commission has gained an updated structure with the organizational changes made in 2022. The main duties of the Ethics Commission include ensuring compliance with relevant laws, regulations, circulars, and resolutions.

As of 2023, there were no lawsuits filed against the Bank for ethical violations and no fines paid for non-compliance. This is a positive result of the comprehensive ethics training received by all employees and managers and reflects the Bank's commitment to ethical principles and policies.

TKYB established and implemented the Conflict of Interest Policy to prevent and manage potential conflicts of interest. With this policy, it is aimed to clarify the situations that may create conflict of interest in the following areas:

- Conflict of interest between the bank and the client,
- Conflicts of interest between Bank employees and customers,
- Conflicts of interest between the Bank and its employees,
- Conflict of interest between employees and/or units,
- Conflict of interest between our clients,

This policy, which covers all bank employees, including temporary employees, is supported by the ethical principles that cover all personnel and managers to prevent conflicts of interest. The Bank's Code of Conduct aims to provide high-quality service to customers, stakeholders, employees, and the general public, to use resources effectively and efficiently, and to prevent unfair competition. By adopting these ethical values, the Bank has accepted the obligation to act within the framework of the Ethical Principles Charter and the Banking Code of Conduct set by the Banks Association of Türkiye.

TKYB adopts an approach that protects customer rights within the legal framework, avoids unfair competition, and adheres to equal opportunity in its internal operations. The Bank provides financing and consultancy services that support social and environmental sustainability while protecting its reputation.

A Corporate Governance Committee has been established to determine the Bank's corporate governance policy, monitor compliance with corporate governance principles, and make recommendations to the Board of Directors for improvement. This committee is responsible for identifying potential conflicts of interest and determining the measures to be taken in such cases. Another duty of the Committee is to evaluate whether a member of the Board of Directors is an executive or a member of the Board of Directors of another bank or provides consultancy services to another bank to ensure that this situation does not lead to a conflict of interest and does not interfere with the member's duties at the Bank.

The Bank regularly discloses potential conflicts of interest related to different board memberships to all stakeholders through reports and the Public Disclosure Platform (KAP). Pursuant to the Bank's Procurement and Tender Regulation in force, it is not possible to procure through members of the Board of Directors or Bank personnel. In addition, necessary measures have been taken within the scope of the Conflict of Interest Policy and Ethical Principles to prevent potential conflicts of interest regarding suppliers. In this context, an Ethics Hotline, which can be used by Bank personnel to report potential conflicts of interest, is also in operation.

The Bank's subsidiaries, on the other hand, regularly report transactions with the Bank in their independent audit reports and annual reports, and these reports are transparently shared with stakeholders. In the event of a possible conflict of interest, the Bank takes the necessary actions within the framework of internal regulations. In 2023, the Bank was not subject to any legal action regarding anti-competitive behavior and monopolization practices.



Anti-Corruption

TKYB adopts a zero-tolerance policy in the fight against bribery and corruption. Our Bank fully complies with the relevant legal regulations, ethical principles, and international standards in all countries where it operates and conducts all business relations within the framework of this policy. The Bank's Anti-Bribery and Anti-Corruption Policy is reviewed annually by the relevant departments and updated when deemed necessary to maintain the effectiveness of anti-bribery and anti-corruption processes. This policy covers all Bank personnel, including the Board of Directors, subsidiaries, affiliates, external service providers, and business partners.

To ensure the effective implementation of the policy, systematic improvements have been made to facilitate employees reading and approving the policy. To reduce the risk of bribery and corruption, the Bank offers regular training programs, which are provided to all employees. In addition, the Internal Control and Compliance Unit meticulously monitors the completion processes of all mandatory training organized in our Bank.

- 2021** 51 managers and 265 employees received Anti-Bribery and Anti-Corruption training.
- 2022** 64 managers and 259 employees completed this training.
- 2023** 85 managers and 301 employees participated in this training.



The number of anti-bribery and anti-corruption training sessions attended by managers increased by approximately 33% in 2023 compared to the previous year. The number of anti-bribery and anti-corruption training sessions attended by employees increased by approximately 16% in 2023 compared to 2022. These data stand out as a strong indicator of the importance the Bank attaches to the issue of anti-corruption, as well as the significant increase in participation in anti-bribery and anti-corruption training during the reporting period.

TKYB established an Ethics Hotline to report and consider suspicions regarding the fight against bribery and corruption, and other violations of the Code of Conduct. Our Bank's stakeholders can report any violations of ethical principles, including bribery and corruption, via e-mail to ihbar@kalkinma.com.tr. In this process, the information of the applicants is kept confidential.

The Bank regularly conducts risk assessments within the scope of bribery and corruption risk management. These assessments analyze the risk potential of new products and processes, compliance with the principle of separation of duties, and the currency and adequacy of the Bank's credit, procurement, and human resources policies. In addition, the level of staff awareness, the status of investigations, and financial losses due to bribery and corruption are also included in these analyses.

As of 2023, as a result of this comprehensive risk assessment, TKYB's bribery and corruption risk was assessed as "low risk."

Additionally, there were no cases of bribery or corruption during the reporting period. All these results demonstrate the Bank's strong commitment to the fight against bribery and corruption and the effectiveness of the training provided in this area.

06

APPENDICES



Performance Indicators

MATERIAL TOPIC	RELEVANT PERFORMANCE INDICATOR
Climate Change and ESG-focused Investments	Electricity consumption (kWh)
	Electricity consumption (GJ)
	Electricity intensity (kWh/m ²)
	Natural gas consumption (m ³)
	Natural gas consumption (GJ)
	Natural gas intensity (m ³ /m ²)
	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 prevented by financed renewable energy projects
	Ratio of sectors for which social and environmental impact assessments are conducted
Inclusive Growth and Financial Performance	Direct Economic Value Generated (TL)
	Economic Value Distributed (TL)
	FX Adjusted Loan Growth
	Loan/Asset Ratio
	Net Fee & Commission Increase
	Operating Expenses Increase
	Net Interest Margin
	Return on Equity Ratio
	Return on Assets Ratio
	Expense/Revenue Ratio
	Capital Adequacy Ratio
	Non-performing Loans Ratio
	Net Cost of Risk
	TKYB share in Türkiye's renewable energy capacity
	Ratio of SDG-linked loans to total portfolio
	Amount of SDG-linked loans
	Percentage of climate and environment-related SDG-related loan portfolio to total portfolio
	Amount of financing provided for renewable energy

MATERIAL TOPIC	RELEVANT PERFORMANCE INDICATOR
Ethical Behavior, Human Rights, and Anti-Corruption	Time allocated to ethics training - Total hours
	Total number trained in anti-corruption - Manager
	Total number trained in anti-corruption - employee
	Total number of reported cases of discrimination
	Number of legal actions regarding anti-competitive behavior
	Number of employees trained - women
	Number of employees trained - men
	Total hours of training provided - women
	Total hours of training provided - men
	Total training hours per employee
	Total training hours per employee - women
	Total training hours per employee - men
	Total training hours per employee - senior management
	Total training hours per employee - middle management
	Environmental Management Training - total hours
	Environmental Management Training - total number of participating employees
	Time allocated to Technical and Personal Development Training - total hours
	Hours of OHS training offered - women
	Hours of OHS training offered - men
Employee Development and Wellbeing	Number of employees receiving personal development evaluation - women
	Number of employees receiving personal development evaluation - men
	Number of new hires - total
	Number of new hires - women
	Number of new hires - men
	Number of employees who left - total
	Number of employees who left - women
	Number of employees who left - men
	Number of employees on parental leave (number of employees on maternity leave)
	Number of employees returning to work after parental leave (number of employees returning to work after parental leave)
	Number of incidents
	Number of work-related fatalities
	Number of high severity work-related injuries (excluding fatalities)
	Ratio of high severity work-related injuries (excluding fatalities)
	Incident frequency rate (IR)
	Lost day rate (LDR)
	Absenteeism due to incident
	Absenteeism Rate (AR)
	Meslek Hastalığı Oranı (ODR)

Performance Indicators

MATERIAL TOPIC	RELEVANT PERFORMANCE INDICATOR
Diversity and Inclusion	Total number of full-time employees
	Total number of full-time employees - women
	Total number of full-time employees - men
	Full-time employees - women senior level
	Full-time employees - men senior level
	Full-time employees - women mid-level
	Full-time employees - men mid-level
	Number of subcontracted workers
	Disabled employees
	Number of employees of 0-5 years - total
	Number of employees of 0-5 years - women
	Number of employees of 0-5 years - men
	Number of employees of 5-10 years - total
	Number of employees of 5-10 years - women
	Number of employees of 5-10 years - men
	Number of employees of 10 years or more - total
	Number of employees of 10 years or more - women
	Number of employees of 10 years or more - men
Customer Satisfaction	Number of internal complaints
	Number of external complaints
Stakeholder Capitalism and Transparency	Percentage of local suppliers compared to total suppliers
	Percentage share of the Procurement Budget allocated to spending on local suppliers
	Number of bulletins published
	Number of jobs created with projects
	Number of projects with environmental and social risk assessments
	Ratings of projects with environmental and social risk assessments
Cybersecurity and Data Privacy	New suppliers screened using social and environmental criteria
	Total number of substantiated complaints of breaches of customer privacy

Environmental Performance Indicators

ENVIRONMENTAL PERFORMANCE INDICATORS			
ENERGY			
Energy consumption data – by energy use	2021	2022	2023
Electricity consumption (kWh)	1,055,693	1,434,521	959,014.27 ✓
Electricity consumption (GJ)	3,800	5,164	3,452.45
Electricity intensity (kWh/m²)	149	102.19	68.31 ✓
Energy consumption data - by fuel type	2021	2022	2023
Natural gas consumption (m³)	98,889	95,147	88,011.06 ✓
Natural gas consumption (GJ)	3,387	3,284	3,344.42
Natural gas intensity (m³/m²)	13.9	13.4	6.27 ✓
Stationary combustion - Diesel (Generator) (L)	4,758	4,320	2,340 ✓
Mobile combustion - Diesel (L)	33,175	40,974	19,546.38 ✓
Mobile combustion - Gasoline (L)	2,550	6,145	42,386.67 ✓
Energy consumption beyond company limits	2021	2022	2023
Bank-owned vehicle fuel consumption - Diesel (L)	33,175	40,974	19,546.38
Bank-owned vehicle fuel consumption - Diesel (GJ)	1,146	1,434	0.000698
Bank-owned vehicle fuel consumption - Gasoline (L)	2,550	6,139	42,386.67
Bank-owned vehicle fuel consumption - Gasoline (GJ)	82	1,146	0.0014

ENVIRONMENTAL PERFORMANCE INDICATORS			
WATER			
Water consumption data (m³)	2021	2022	2023
Total water consumption (m³)	2,966	3,758	5,318.69 ✓
Water intensity (m³/employee)	10	12.4	16.07 ✓

Environmental Performance Indicators

ENVIRONMENTAL PERFORMANCE INDICATORS				
EMISSION				
Emission data (metric tons CO ₂ equivalent)	2021	2022	2023	
Scope 1	1,851	364	373	✓
Scope 2	-	631	421	✓
Scope 1 + Scope 2	1,851	995	794	✓
Scope 3 (Excluding portfolio)	819	563	383	✓
Scope 3 - Category 15	-	3,448,886	982,605	✓
Scope 3 - Total emissions	-	3,449,009	982,988	✓
Total emission amount Scope 1-2-3 (Excluding portfolio)	-	1,558	1,177	✓
Total emission amount Scope 1-2-3	2,670	3,450,004	983,782	✓
Greenhouse gas emission intensity (metric tons CO ₂ /employee)	2.75	3.28	2.40	✓

ENVIRONMENTAL PERFORMANCE INDICATORS				
WASTE				
Amount of waste (kg)	2021	2022	2023	
Total amount of waste	5,679	5,315	5,048	✓
Non-hazardous waste (kg)	2021	2022	2023	
Paper/Cardboard	1,941	1,661	1,947	✓
Plastic Waste	1,538	2,018	1,648	✓
Metal Waste	130	279	341	✓
Glass	584	980	1,112	✓
Mixed Packaging	292	-	-	
Recycled non-hazardous waste	4,485	4,938	5,048	✓
Hazardous waste (kg)	2021	2022	2023	
Motor oil	370	370	-	✓
Batteries	8	7	-	✓
Recycled hazardous waste	378	377	-	✓

ENVIRONMENTAL PERFORMANCE INDICATORS				
OTHER				
	2021	2022	2023	
Paper consumption (kg)	1,941	1,661	1,947	
Installed capacity of financed renewable energy projects (MWh)	3,836	3,357	3,412	✓
TKYB share in Türkiye's renewable energy capacity (%)	7.15%	6%	6%	✓
Ratio of SDG-linked loans to total portfolio (%)		79%	93%	✓
Amount of SDG-linked loans	1.2 million USD	2.5 million USD	2.6 million USD	✓
Percentage of climate and environment-related SDG-related loan portfolio to total portfolio	48%	50%	58%	✓
Number of projects with environmental and social risk assessments	84	112	76	✓
Amount of financing provided for renewable energy	177 million USD	-	1,531 million USD	✓
Annual tCO ₂ emissions prevented by financed renewable energy projects	5	4.5	4.6	✓
Ratings of projects with environmental and social risk assessment		2022	2023	
A (High Risk)	-	4	-	✓
B+ (Medium-High Risk)	-	21	17	✓
B- (Medium Risk)	-	69	51	✓
C (Low Risk)	-	18	8	✓
Total	-	112	76	✓

Social Performance Indicators

SOCIAL PERFORMANCE INDICATORS						
EMPLOYMENT						
Number of employees	2021		2022		2023	
Total number of full-time employees	298		303		331 ✓	
Women	122	40.94%	119	39.27%	136	41.09%
Men	176	59.06%	184	60.73%	195	58.91%
Women – senior level	4	66.67%	4	50.00%	4 ✓	50.00%
Men - senior level	2	33.33%	4	50.50%	4	50.00%
Women – mid-level	16	39.02%	16	32.00%	18 ✓	31.03%
Men – mid-level	25	60.98%	34	68.00%	40	68.97%
Number of subcontracted workers	-		-		30	
Disabled employees	3		4		5	
By working hours	2021		2022		2023	
Number of employees of 0-5 years - total	69		66		72	
Number of employees of 0-5 years - women	25		21		32	
Number of employees of 0-5 years - men	44		45		40	
Number of employees of 5-10 years - total	87		85		102	
Number of employees of 5-10 years - women	42		35		37	
Number of employees of 5-10 years - men	45		50		65	
Number of employees of 10 years or more - total	135		147		199	
Number of employees of 10 years or more - women	55		63		78	
Number of employees of 10 years or more - men	80		84		121	

SOCIAL PERFORMANCE INDICATORS						
EMPLOYMENT						
Employee Turnover	2021		2022		2023	
Number of New Hires	53		62		75 ✓	
Women	20	38%	25	41%	37	49%
<30; Women	4	8%	11	18%	20	27%
30-50; Women	16	30%	13	21%	17	23%
>50; Women	0	0%	1	2%	0	0%
Men	33	62%	36	60%	38	51%
<30; Men	16	30%	17	27%	11	15%
30-50; Men	16	30%	19	31%	27	36%
>50; Men	1	2%	1	2%	0	0%
Total number of employees who left their jobs	28		53		49 ✓	
Women	-		-		21	
Men	-		-		28	
Employee Turnover Rate	9.4		18		15.5 ✓	
Parental Leave	2021		2022		2023	
Number of employees on parental leave (Number of employees on maternity leave)	9		12		12 ✓	
Women	2		9		6 ✓	
Men	7		3		6 ✓	
Number of employees returning to work after parental leave (Number of employees returning to work after maternity leave)	9		7		12 ✓	
Women	2	100%	4	100%	6 ✓	100%
Men	7	100%	3	100%	6 ✓	100%

Social Performance Indicators

SOCIAL PERFORMANCE INDICATORS						
OCCUPATIONAL HEALTH AND SAFETY						
	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
Number of incidents	0	0	0	1	2 ✓	1 ✓
Number of work-related fatalities	0	0	0	0	0 ✓	0 ✓
Number of high-severity work-related injuries (excluding fatalities)	0	0	0	0	0	0
Ratio of high severity work-related injuries (excluding fatalities)	0	0	0	0	0	0
Incident Frequency rate (IR)	0	0	0	0	0	0
Lost day rate (LDR)	0	0	0	0	0	0
Absenteeism due to incident	0	0	0	0	0	0
Absenteeism Rate (AR)	0	0	0	0	0	0
Meslek Hastalığı Oranı (ODR)	0	0	0	0	0	0

SOCIAL PERFORMANCE INDICATORS						
CAREER AND TRAINING						
	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
Number of employees trained	141	200	152	208	182	239
Total hours of training provided	4,573.7	6,496.2	5,286	7,155	7,485	9,407
	2021		2022		2023	
Total training hours per employee	39.5		43.5		53.3 ✓	
Women	37		43		59.4	
Men	40.08		41.8		49.51	
Senior Management	11		7.8		32	
Middle Management	20		28.4		36	

By education types	2021		2022		2023	
Environmental Management Training - total hours	350		323		361	
Environmental Management Training - total number of employees participating	349		323		361	
Time allocated to ethics training - total	319		322		365	
Time allocated to Technical and Personal Development Training - total	11,069.9		12,441		16,891	
Total number of anti-corruption trainings - manager	51		64		85	
Total number of employees trained on anti-corruption - employee	265		259		301	
Hours of OHS trainings offered - women	270		298		368	
Hours of OHS trainings offered - men	444		458		568	
Performance evaluations	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
Number of employees receiving personal development evaluation	122	176	119	186	136	195

Social Performance Indicators

SOCIAL PERFORMANCE INDICATORS			
OTHER INDICATORS			
Procurement practices	2021	2022	2023
New suppliers screened using social and environmental criteria	-	-	29%
Customer Privacy	2021	2022	2023
Total number of substantiated complaints of customer privacy breaches	0	0	0
Other	2021	2022	2023
Total number of reported cases of discrimination	0	0	0
Number of legal actions related to anti-competitive behavior	0	0	0
Proportion of sectors for which social and environmental impact assessments are conducted	-	-	1
Number of internal complaints	-	-	12
Number of external complaints	-	-	25
Number of bulletins published	-	-	14
Number of jobs created with projects	-	-	4,596

Economic Performance Indicators

ECONOMIC PERFORMANCE INDICATORS			
Economic Performance	2021	2022	2023
Direct Economic Value Generated (thousand TL)	1,707,185	3,351,648	7,304,770
Economic Value Distributed (thousand TL)	692,162	1,018,939	1,663,767
FX Adjusted Loan Growth	13.80%	23.20%	-0.60%
Loan/Asset Ratio	77.50%	65.90%	62.40%
Net Fee Commission Increase	89.70%	76.40%	58.00%
Operating Expenses Increase	24.70%	113.20%	119.60%
Net Interest Margin	3.90%	4.10%	6.50%
Return on Equity Ratio	20.20%	31.10%	45.70%
Return on Assets Ratio	2.40%	2.40%	3.60%
Expense/Revenue Ratio	11.00%	12.30%	12.40%
Capital Adequacy Ratio	14.30%	16.70%	16.90%
Non-performing Loans Ratio	2.30%	1.50%	1.00%
Net Cost of Risk	1.90%	1.00%	0.70%
Procurement Practices	2021	2022	2023
Percentage of local suppliers compared to total suppliers	92%	91%	95%
Percentage share of the Procurement Budget allocated to spending on local suppliers	93%	92%	97%

GRI Content Index

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the English version of the report.

Statement of use		Türkiye Kalkınma ve Yatırım Bankası has reported in accordance with the GRI Standards for the period of January 1-December 31, 2023.		
GRI 1 used		GRI 1: Foundation 2021		
GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Report, The Development and Investment Bank of Türkiye at a Glance	8-13, 28-31	
	2-2 Entities included in the organization's sustainability reporting	About the Report	8	
	2-3 Reporting period, frequency and contact point	About the Report	8-12	
	2-4 Restatements of information		There are no information restatements from previous reporting periods of our company.	
	2-5 External assurance	About the Report, Independent Assurance Report	10-12, 260-261	
	2-6 Activities, value chain and other business relationships	The Development and Investment Bank of Türkiye at a Glance, Operations of the Development and Investment Bank of Türkiye	28-31, 47-66	
	2-7 Employees	Human Capital, Social Performance Indicators	132-133, 236-240	
	2-8 Workers who are not employees	Human Capital, Social Performance Indicators	132-133, 236-240	
	2-9 Governance structure and composition	Corporate Structure, Organizational Chart, Committees	184-185, 186-187, 196-205	
	2-10 Nomination and selection of the highest governance body	Board of Directors and Senior Management	188-189	
	2-11 Chair of the highest governance body	Board of Directors	190	

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	Board of Directors and Senior Management	188	
	2-13 Delegation of responsibility for managing impacts	Our Sustainability Governance	71-73	
	2-14 Role of the highest governance body in sustainability reporting	Our Sustainability Governance	71-73	
	2-15 Conflicts of interest	Ethics and Compliance, Combating Conflict of Interest and Anti-Competitive Behavior	222-224, 224-225	
	2-16 Communication of critical concerns	Our Sustainability Governance, Bank Portfolio and ESG Risk Management	71-73, 106-107	
	2-17 Collective knowledge of the highest governance body	Our Sustainability Governance	71-73	
	2-18 Evaluation of the performance of the highest governance body			Confidentiality constraints: The performance evaluation process of the highest governance body cannot be shared due to the company's desire to keep the matter confidential.
	2-19 Remuneration policies	Career and Performance Management, Committees	143, 200	
	2-20 Process to determine remuneration	Career and Performance Management, Committees	143, 200	
	2-21 Annual total compensation ratio			Confidentiality constraints: Information cannot be shared due to compensation confidentiality.
	2-22 Statement on sustainable development strategy	Messages from the Management	14-19	
	2-23 Policy commitments	Our Policies and Principles, Sustainability Policies and Commitments, Impact Management and Corporate Governance Performance	76, 77-78, 206	
	2-24 Embedding policy commitments	Our Policies and Principles, Sustainability Policies and Commitments	76, 77-78	

GRI Content Index

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	Stakeholder Capitalism and Transparency	174-175	
	2-26 Mechanisms for seeking advice and raising concerns	Ethics and Compliance	222-224	
	2-27 Compliance with laws and regulations	Ethics and Compliance	222-224	
	2-28 Membership associations	Stakeholder Capitalism and Transparency, Memberships and Collaborations	175, 244-245	
	2-29 Approach to stakeholder engagement	Effective Stakeholder Engagement	80-85	
	2-30 Collective bargaining agreements		There are no employees covered by a collective bargaining agreement.	
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Analysis and Material Topics	86-91	
	3-2 List of material topics	Materiality Analysis and Material Topics	91	
Inclusive Growth and Financial Performance				
GRI 3: Material Topics 2021	3-3 Management of material topics	Inclusive Growth and Financial Performance	126-131	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Inclusive Growth and Financial Performance, Financial Capital	126-131, 122-123	
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Change and ESG Investments, Sustainable Financing	98-105, 114-115	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Responsible Banking, Inclusive Growth and Financial Performance	92-95, 126-131	
	203-2 Significant indirect economic impacts	Social Responsibility and Contributions, Inclusive Growth and Financial Performance	179-181, 126-131	

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Strong Management of the Value Chain	176-178	
Ethical Conduct, Human Rights and Anti-Corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	Ethical Conduct, Human Rights and Anti-Corruption	222-227	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-Corruption	226-227	
	205-2 Communication and training about anti-corruption policies and procedures	Social Performance Indicators	239	
	205-3 Confirmed incidents of corruption and actions taken	Anti-Corruption	226-227	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Combating Conflict of Interest and Anti-Competitive Behavior	224-225	
Climate Change and ESG-Focused Investments				
GRI 3: Material Topics 2021	3-3 Management of material topics	Climate Change and ESG Investments	96-113	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy and Emissions Management, Environmental Performance Indicators	148-153, 233	
	302-3 Energy intensity	Energy and Emissions Management, Environmental Performance Indicators	148-153, 233	
	302-4 Reduction of energy consumption	Energy and Emissions Management	148-153	
	302-5 Reductions in energy requirements of products and services	Energy and Emissions Management	148-153	

GRI Content Index

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management	154-155	
	303-2 Management of water discharge-related impacts	Water Management	154-155	
	303-5 Water consumption	Environmental Performance Indicators	233	
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Our Policies and Principles, Sustainability Policies and Commitments	76, 77-78	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy and Emissions Management, Environmental Performance Indicators	148-153, 234	
	305-2 Energy indirect (Scope 2) GHG emissions	Net-Zero Economy, Environmental Performance Indicators	158-159, 234	
	305-3 Other indirect (Scope 3) GHG emissions	Energy and Emissions Management, Environmental Performance Indicators	148-153, 234	
	305-4 GHG emissions intensity	Environmental Performance Indicators	234	
	305-5 Reduction of GHG emissions	Energy and Emissions Management	148-153	
	305-6 Emissions of ozone-depleting substances (ODS)	Energy and Emissions Management	148-153	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Energy and Emissions Management	148-153	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management	156	
	306-2 Management of significant waste-related impacts	Waste Management	156	
	306-3 Waste generated	Environmental Performance Indicators	234	
	306-4 Waste diverted from disposal	Waste Management, Environmental Performance Indicators	156, 234	
	306-5 Waste directed to disposal	Waste Management, Environmental Performance Indicators	156, 234	
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Strong Management of the Value Chain	176-178	

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
Employee Development and Wellbeing				
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Development and Wellbeing	136-137	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee Development and Wellbeing, Social Performance Indicators	136-137, 237	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Development and Wellbeing	136-137	
	401-3 Parental leave	Employee Development and Wellbeing, Social Performance Indicators	136-137, 237	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Safe and Healthy Work Environment	144-147	
	403-2 Hazard identification, risk assessment, and incident investigation	Safe and Healthy Work Environment	144-147	
	403-3 Occupational health services	Safe and Healthy Work Environment	144-147	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Safe and Healthy Work Environment	144-147	
	403-5 Worker training on occupational health and safety	Safe and Healthy Work Environment, Social Performance Indicators	144-147, 239	
	403-6 Promotion of worker health	Safe and Healthy Work Environment	144-147	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safe and Healthy Work Environment	144-147	
	403-8 Workers covered by an occupational health and safety management system	Safe and Healthy Work Environment	144-147	
	403-9 Work-related injuries	Safe and Healthy Work Environment, Social Performance Indicators	144-147, 238	
	403-10 Work-related ill health	Safe and Healthy Work Environment, Social Performance Indicators	144-147, 238	

GRI Content Index

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Social Performance Indicators	238	
	404-2 Programs for upgrading employee skills and transition assistance programs	Career and Performance Management	138-143	
	404-3 Percentage of employees receiving regular performance and career development reviews	Social Performance Indicators	239	
Diversity and Inclusion				
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity and Inclusion	134-135	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity and Inclusion, Social Performance Indicators	134-135, 236	
	405-2 Ratio of basic salary and remuneration of women to men	Diversity and Inclusion	134-135	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Diversity and Inclusion	134-135	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Diversity and Inclusion, Strong Management of the Value Chain	135, 177	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Diversity and Inclusion, Strong Management of the Value Chain	135, 177	
Stakeholder Capitalism and Transparency				
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Capitalism and Transparency	174-175	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Responsibility and Contributions	179-181	
	413-2 Operations with significant actual and potential negative impacts on local communities	Social Responsibility and Contributions	179-181	

GRI STANDARD	DISCLOSURE	SUBJECT HEADING	PAGE NUMBER, SOURCES AND/OR DIRECT ANSWERS	ADDITIONAL INFORMATION/ REASONS OF OMISSION
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Strong Management of the Value Chain	176-178	
	414-2 Negative social impacts in the supply chain and actions taken	Strong Management of the Value Chain	176-178	
Cybersecurity and Data Privacy				
GRI 3: Material Topics 2021	3-3 Management of material topics	Cybersecurity and Data Privacy	164-169	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cybersecurity and Data Privacy	164-169	
Digital Transformation and Innovation				
GRI 3: Material Topics 2021	3-3 Management of material topics	Digital Transformation and Innovation	160-163	
Customer Satisfaction				
GRI 3: Material Topics 2021	3-3 Management of material topics	Customer Satisfaction	170-173	

Memberships and Collaborations

Memberships in Domestic Associations

Business and Sustainable Development Council (BCSD Türkiye)
The Banks Association of Türkiye (TBB)
Turkish Standards Institution (TSE)
Integrated Reporting Association Türkiye (ERTA)
Global Compact Signatories Association
Impact Investing Advisory Board (EYDK)

Memberships in International Associations

UN Global Compact
Carbon Disclosure Project (CDP)
United Nations Environment Program Finance Initiative (UNEP FI)
Global Impact Investing Network (GIIN)
United Nations Development Program
Global Reporting Initiative (GRI)
Operating Principles for Impact Management
Sustainalytics

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<div><div>PRINCIPLE 1: ALIGNMENT WE WILL ALIGN OUR BUSINESS STRATEGY TO BE CONSISTENT WITH AND CONTRIBUTE TO INDIVIDUALS' NEEDS AND SOCIETY'S GOALS, AS EXPRESSED IN THE SUSTAINABLE DEVELOPMENT GOALS, THE PARIS CLIMATE AGREEMENT AND RELEVANT NATIONAL AND REGIONAL FRAMEWORKS.</div></div>		
1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services.	<p>Focusing on financing sustainable development in line with the United Nations Sustainable Development Goals and Türkiye's 2053 net-zero emission targets, the Development and Investment Bank of Turkey provides comprehensive support to investors with its strong resource structure, competent human resources and innovative products and services. The Bank's main objective is to contribute to the country's development within the framework of Türkiye's 12th Development Plan and to strengthen strategic sectors that will reduce imports and increase exports. In line with this objective, the Bank makes significant contributions to Türkiye's structural transformation and broad-based capital deployment by providing loans, capital support, partnership and advisory services to companies that add value to the national economy.</p> <p>The Bank's core function is to finance sustainable development. The Bank has established an important position in the business world and the banking sector with its reputable position on a national and international scale and the opportunities it provides. The Bank plays a leading role in helping companies access domestic and international funding sources through mergers and acquisitions, capital market products and financial advisory services. The activities and services provided by the Development and Investment Bank of Turkey are grouped under three main headings: Project Finance and Corporate Loans, Investment Banking and the Türkiye Development Fund.</p> <p>The Development and Investment Bank of Türkiye also offers expertise in technical advisory services, another long-established area of expertise. It goes beyond being a traditional lender and shares its technical knowledge and experience with its business partners during the investment process. In addition, the Bank strives to align its banking operations with sustainability by using investment banking products and capital market instruments in the service of sustainable development.</p> <p>The Development and Investment Bank of Türkiye contributes to economic development through wholesale banking (APEX Banking) to industrial and tourism investments and SMEs; to social development by providing resources for education and health investments; and to environmentally friendly development by providing resources for renewable energy investments and projects to increase energy/resource efficiency.</p>	<p>2023 Integrated Report:</p> <p>Operations of the Development and Investment Bank of Türkiye</p> <p>Responsible Banking</p> <p>Effective Corporate Governance</p>


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1.2 Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.	<p>The Development and Investment Bank of Türkiye supports Türkiye's development with its "Bank Committed to Development" approach within the scope of Sustainable Development Goals (SDGs), Paris Climate Agreement, Türkiye's Development Plans (12th Development Plan), economic programs and development initiatives.</p> <p>The Development and Investment Bank of Türkiye aims to achieve certain strategic goals in the field of development banking and supports various projects in line with these goals. To realize the Sustainable Development Goals, the Bank focuses on issues such as the net-zero economy target, combating climate change, resource efficiency, developing smart and sustainable cities, gender equality and increasing employment opportunities. In this context, the Bank encourages and supports projects in these areas.</p> <p>Within this framework, the Development and Investment Bank of Türkiye aims to both promote sustainable development and maintain responsible banking practices in line with the sustainability goals it has set. The Bank is a member of various international organizations and networks for environmental protection and combating climate change, which are among the main components of sustainable development and are material topics.</p> <p>In addition, as an inclusive and strategic financing institution, the Development and Investment Bank of Türkiye supports SMEs through APEX banking and provides financing for regional development, technological advancements, and climate change mitigation projects in line with Türkiye's development goals.</p> <p>In this way, the Bank will be able to support the goals of Affordable and Clean Energy (SDG 7), Decent Work and Economic Growth (SDG 8) and Partnerships for the Goals (SDG 17), directly through Industry, Innovation, and Infrastructure (SDG 9) and Climate Action (SDG 13), and indirectly through Quality Education (SDG 4), Clean Water and Sanitation (SDG 6), No Poverty (SDG 1), Zero Hunger (SDG 2), Good Health and Well-being (SDG 3), Gender Equality (SDG 5), Responsible Production and Consumption (SDG 12), Decent Work and Economic Growth (SDG 8), Sustainable Cities and Communities (SDG 11) and Life on Land (SDG 15).</p>	<p>2023 Integrated Report:</p> <p>Our Strategic Approach to Sustainability</p> <p>Effective Stakeholder Engagement</p> <p>Effective Corporate Governance</p>

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<div>PRINCIPLE 2: IMPACT AND TARGET SETTING WE WILL CONTINUOUSLY INCREASE OUR POSITIVE IMPACTS WHILE REDUCING THE NEGATIVE IMPACTS ON, AND MANAGING THE RISKS TO, PEOPLE AND ENVIRONMENT RESULTING FROM OUR ACTIVITIES, PRODUCTS AND SERVICES. TO THIS END, WE WILL SET AND PUBLISH TARGETS WHERE WE CAN HAVE THE MOST SIGNIFICANT IMPACTS.</div>		
<p>2.1 Impact Analysis: Demonstrate that the Bank has identified the positive and negative areas where it has the most impact through an impact analysis that meets the following elements:</p> <p>a) Scope: As explained in 1.1, the Bank's main business areas, products/ services in the geographies where the Bank operates are covered within the scope of the analysis.</p> <p>b) Scale of Disclosure: The Bank has accounted for the industries, technologies and geographies that are relevant to its core business/core activities in determining the areas where it has the most impact.</p> <p>c) Context and Relevance: The Bank has addressed the challenges and priorities most relevant to sustainable development in the countries/ regions where it operates.</p> <p>d) Scale and Intensity/ Significance of Impact: In identifying the most significant impact areas, the Bank has considered the scale and intensity/significance of (potential) social, economic and environmental impacts arising from the Bank's operations and provision of products and services. (The Bank should have engaged with relevant stakeholders to help inform its analysis under elements c) and d)). Based on this analysis, demonstrate that the Bank has identified and disclosed the areas with the most significant (potential) positive and negative impacts and identified strategic business opportunities related to increasing positive impacts/reducing negative impacts.</p>	<p>The Development and Investment Bank of Türkiye continuously communicates with its stakeholders through various channels, taking into account their priorities, needs and expectations, and aims to create value by taking into account their expectations of the Bank.</p> <p>In addition to the impacts arising from its own operations, the Bank has recognized the importance of measuring the impacts of the loans it finances. Accordingly, the Bank has conducted a materiality analysis with a double materiality perspective.</p> <p>Factors such as the Bank's strategy, the views of internal and external stakeholders, external environment analysis and the assessment of material topics form the basis of the materiality analysis. The materiality matrix, which is used as a component of the integrated report, is regularly updated by assessing domestic and international developments, publications, global trends, risks, and opportunities.</p> <p>The Bank has identified a total of 9 issues as material topics, ranked as first, second and third priorities. Considering the TKYB Materiality Matrix, 2 of these issues appear as the first priority: Ethical Behavior, Human Rights, and Anti-Corruption; and Climate Change and ESG-Focused Investments. These issues identify the areas with the most significant potential positive and negative impact.</p> <p>The Bank creates positive impacts in areas such as climate change, energy efficiency, resource efficiency, employment, technological development and digitalization through its communication with stakeholders, materiality analysis findings and the financing it provides in line with its strategic goals.</p> <p>The Development and Investment Bank of Türkiye complies with the United Nations Global Compact Communication on Progress and fulfills the requirements of the United Nations Environment Program Finance Initiative (UNEP-FI) Responsible Banking Principles, of which it became a founding signatory in 2019. Within this framework, our Bank reports the impacts it creates in detail in all aspects, both positive and negative, within the scope of UNEP-FI Responsible Banking Principles.</p> <p>In addition to all these strategic collaborations, the Bank became a signatory to the Impact Investing Working Principles in 2022, which include leading organizations such as the International Finance Corporation (IFC), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), American Overseas Private Investment Corporation (OPIC), Multilateral Investment Guarantee Agency (MIGA), RockCreek, Inter-American Development Bank (IDB), Dutch Development Bank (FMO), and the German Investment Corporation (DEG).</p> <p>As one of the founding members of the Impact Investing Advisory Board (EYDK), our Bank has contributed to the development of an impact investing model in Türkiye and the creation of an effective impact investing ecosystem.</p> <p>The Development and Investment Bank of Türkiye's agreements with international financial institutions such as the World Bank, the Japan Bank for International Cooperation, the Asian Infrastructure Investment Bank and the China Development Bank to contribute to Türkiye's development process demonstrate that the Bank continuously evaluates strategic business opportunities related to enhancing positive impacts and mitigating negative impacts.</p>	<p>2023 Integrated Report:</p> <p>Materiality Analysis and Material Topics</p> <p>Impact Management and Corporate Governance Performance</p>
We conducted a materiality analysis and identified our focus areas. We have started our work on impact analysis and will continue to develop it. In this context, we fulfill the requirements of Impact Analysis with our work.		


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<p>2.2 Target Setting: Target Setting: Demonstrate that the Bank has set and published at least two Specific, Measurable (qualitative or quantitative), Specified, Relevant, and Time-bound (SMART) targets that address at least two of the "areas where it has the most significant impact" due to its activities, products, and services. Demonstrate that these targets are linked to and contribute to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national, or regional frameworks. The Bank should have established a baseline (assessed over a given year) and set targets against it. Demonstrate that the Bank has analyzed and is aware of the significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/ society goals and has put in place relevant actions to mitigate them as much as possible to maximize the net positive impact of the targets.</p>	<p>Within the scope of its role in supporting sustainable development, the Development and Investment Bank of Türkiye attaches importance to inclusiveness in its global, sectoral and national activities; offers appropriate financing opportunities to companies and institutions operating in sectors with strategic priorities and innovative projects; and supports the financing of the fight against climate change.</p> <p>While supporting Türkiye's sustainable development through its financing and consultancy services, the Bank also considers sustainability as a corporate responsibility and a goal in line with its responsible banking approach. With this approach, the Bank has integrated its sustainability strategy into all banking operations.</p> <p>The targets set by the Bank include:</p> <ul style="list-style-type: none">- By 2025, increasing the amount of greenhouse gas emissions prevented to over 5 million metric tons of carbon dioxide,- By the end of 2021, reducing Scope 1 emissions by 10% in 2025 and 40% by 2040 compared to the base year 2020,- Making long-term loan agreements with international financial institutions to be used in priority sectors,- Providing support to industrial enterprises and SMEs in priority development sectors and increasing employment through the Technology and Innovation Fund, Regional Development Fund, TKYB Capital Fund, Development Participation Venture Capital Investment Fund (VCIF) and Innovative and Advanced Technologies Participation Venture Capital Investment Fund (VCIF) under the TDF,- Providing financing to investors for projects (hydroelectric, solar, wind, biomass and geothermal power plants, etc.) aimed at the efficient and proper utilization of renewable energy resources and bringing domestic energy resources into the economy, thereby increasing Türkiye's energy supply, reducing the use of fossil fuels and reducing external dependence on energy,- Continuing to take measures against cyber threats that increase with digitalization, and ensuring the continuation of data security and cybersecurity investments,- Providing and utilizing thematic funds in line with the solution of social problems and regional needs,- Supporting the expansion of Türkiye's production potential and offsetting the impact of the Covid-19 pandemic on economic activity,- Supporting projects that will contribute to the development of the country through Investment Banking services,- Establishing standard criteria for internal promotions and transitions between positions and announcing them on the Bank's internal communication channels,- Repeating employee satisfaction surveys at regular intervals,- Preventing occupational risks, eliminating risk and accident factors and informing employees in the field of OHS,- Ensuring compliance with the OHS rules of subcontractor companies from which services are procured,- Being one of Türkiye's driving and leading institutions in the field of impact investing.	<p>2023 Integrated Report:</p> <p>Operations of the Development and Investment Bank of Türkiye</p>
Targets set in the Bank's focal areas are presented in the Integrated Report, and target-setting requirements are realized.		

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<p>Plans for Implementation and Monitoring of Targets: Demonstrate the activities and milestones the Bank has identified to achieve the targets.</p> <p>Demonstrate that the Bank has established methods to measure and monitor the targets. The definitions of KPIs, any changes to these definitions, and any new adjustments to the target base year should be transparent.</p>	<p>Each year, the Bank sets targets within the scope of the material topics it has identified. The Bank uses key performance indicators to monitor and manage its performance in these areas. The performance indicators listed below help the Bank monitor its status, impact, and assessment:</p> <ul style="list-style-type: none">• Financing Provided by APEX Loans• Number of Companies Benefiting from CEB-SME Credit Program• Financing Provided to the Energy Sector• Number of Renewable Energy/Energy Efficiency Projects Financed• Amount of Energy Produced by Financed Renewable Energy / Energy Efficiency Projects• Amount of Funding from International Financial Institutions (by themes and organizations)• Utilization of Funds Received from International Financial Institutions• Installed Capacity of Financed Renewable Energy Projects and Amount of Greenhouse Gas Emissions Prevented by these projects• TKYB Share in Türkiye's Renewable Energy Capacity,• Amount and Ratio of SDG-Linked Loans to Total Portfolio• Number of Projects with Environmental and Social Risk Assessments and Scores <p>The Bank has calculated some of the impacts arising from its portfolio. This was done using the "Portfolio Impact Analysis Tool for Banks" published by UNEP-FI. The Bank aimed to calculate both positive and negative impacts from its portfolio.</p> <p>The "Portfolio Impact Analysis Tool for Banks" published by UNEP-FI was developed jointly by the Principles for Responsible Banking and UNEP-FI Member Banks and the Positive Impact Initiative. This tool aims to analyze the impacts associated with the Bank's corporate banking portfolio.</p> <p>Through this tool, the Bank aims to identify the most significant areas of impact and assess its current level of performance based on the structure, content and geographical scope of its portfolio. This assessment will allow the Bank to set specific targets to increase positive impact and reduce negative impact where it matters most.</p> <p>The Bank's ultimate goal is to better understand its impact areas through this assessment and to set targets to increase positive impact and reduce negative impact. In this way, the Bank will be able to direct its activities to make a greater contribution to the sustainable development goals.</p>	<p>2023 Integrated Report:</p> <p>Project Finance and Corporate Loans</p> <p>Sustainable Financing</p> <p>Economic Performance Management</p> <p>Energy and Emissions Management</p>
Requirements regarding plans for the execution and monitoring of objectives are met by defining and monitoring Bank activities.		

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<p>2.4 Progress in Implementation of the Goals: For each target, demonstrate the activities implemented by the Bank to achieve the determined target.</p> <p>Or explain why the planned activities were not carried out/needed to be changed and how the Bank adapted its plan to achieve the set objectives.</p> <p>Report the Bank's progress in the past 12 months (within 18 months from the first reporting after signing) and the impact of the progress towards achieving each of the set goals. (When applicable, banks should include quantitative disclosures.)</p>	<p>In 2023, strategies driven by this framework and principles helped reduce greenhouse gas emissions by 4.6 million metric tons of carbon dioxide equivalent annually. This is a significant achievement that demonstrates the Bank's commitment to sustainable development and environmentally friendly practices. To contribute to Türkiye's development process, the Bank signed a series of ESG-themed loan agreements with international financial institutions such as the World Bank, Japan Bank for International Cooperation, Asian Infrastructure Investment Bank and China Development Bank.</p> <p>At the end of 2023, 93 percent of the Bank's portfolio consisted of sustainability-themed loans. These loans contribute directly and indirectly to 15 of the United Nations Sustainable Development Goals. In 2023, the Bank joined the Impact Management Code of Conduct program, which comprehensively defines a process to help organizations make measurable positive social and environmental impacts as well as financial gains. The Impact Principles consist of Strategic Intent, Structure, Portfolio Management, Exit Strategy and Independent Verification. By adopting these principles and aiming to manage project finance and Türkiye Development Fund activities through an "impact lens", the Development and Investment Bank has reinforced its pioneering role in this area. In September 2022, the Bank confirmed this leadership by publishing Türkiye's first Impact Report in line with the Impact Principles. The Bank obtained ISO 27001 Information Security Management System certification, which was targeted in the 2021 report.</p> <p>In the financial project carried out within the framework of the protocol signed between the COMCEC Coordination Office and the Bank, 7 trade, 4 agriculture, 4 transportation, 4 tourism, 3 poverty reduction, and 1 financial cooperation projects will be financed in the implementation period of 2023, out of a total of 23 projects with 12 countries (Türkiye, Senegal, Gambia, Benin, Nigeria, Uganda, Mali, Bangladesh, Suriname, Morocco, Malaysia, Palestine) and 2 OIC institutions (SESRIC, SMIIC). 2 of them were canceled; contracts were signed with 21 project owners and 19 projects were completed. The payments of 2 projects, for which financial reporting and payment processes are ongoing, are expected to be completed in 2024.</p>	<p>2023 Integrated Report:</p> <p>Impact Management and Corporate Governance Performance</p>
With this report, the Bank's 2023 performance was shared with all stakeholders and progress requirements for goal setting were fulfilled.		

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<div></div> <div>PRINCIPLE 3: CLIENTS AND CUSTOMERS WE WILL WORK RESPONSIBLY WITH OUR CLIENTS AND OUR CUSTOMERS TO ENCOURAGE SUSTAINABLE PRACTICES AND ENABLE ECONOMIC ACTIVITIES THAT CREATE SHARED PROSPERITY FOR CURRENT AND FUTURE GENERATIONS.</div>		
3.1 Introduce the Bank's current or planned policies and practices to develop responsible relationships with its customers. It should contain comprehensive information on implemented (or planned) programs and activities, their scale and, where possible, their results.	<p>The Bank aims to maintain an environmentally sensitive approach and to select and guide its customers in this direction. To this end, the Bank conducts environmental and social risk assessments as part of routine decision-making processes in all credit applications and analyzes the risks of both customers and projects separately.</p> <p>The Development and Investment Bank of Türkiye uses mechanisms such as a suggestion and complaint hotline, whistleblowing hotline and ethics hotline to ensure that unethical practices encountered by its customers are directly communicated to those responsible. Customers can submit their suggestions and complaints to the Bank anonymously. These complaints and messages are responded to within the legal period or within 30 days at the latest if no legal period is specified.</p> <p>The Development and Investment Bank of Türkiye attaches great importance to customer information security in accordance with the Banking Code of Ethics published by the Banks Association of Türkiye and the principles of responsible banking.</p> <p>The Bank carries out periodic and ad-hoc restrictive, monitoring and preventive activities through the Information Security Unit, which operates under the leadership of the General Manager, who is also the Chair of the Information Security Committee. In addition, the Bank enhances customer information security with new technologies integrated into its IT infrastructure during the digital transformation process.</p>	<p>2023 Integrated Report:</p> <p>Customer Satisfaction</p> <p>Our Sustainability Governance</p> <p>Ethics and Compliance</p> <p>Digital Transformation and Innovation</p>

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3.2 Explain how the Bank works with and/or plans to work with its clients to promote sustainable practices and enable sustainable economic practices. This description should include information on planned/implemented activities, products and services developed and, where possible, impacts achieved.	<p>The Development and Investment Bank of Türkiye adopts "Role in Supporting Sustainable Development" as a strategic priority issue. The Bank published its "Climate Change Mitigation and Adaptation Policy" in 2020. Within the scope of the policy, the Bank aims to play a supportive and transformative role in combating climate change, the transition to a net-zero economy, and energy efficiency through its extensive work on impact investing, while managing its direct impacts. In this context, the Bank has identified increasing Türkiye's clean energy potential and providing resources for renewable energy projects as strategic priorities.</p> <p>The Development and Investment Bank of Türkiye contributes to environmentally friendly development by supporting renewable energy investments and projects that increase energy/resource efficiency. The Bank aims to bring domestic energy resources into the economy in renewable energy projects such as hydroelectric, solar, wind, biomass and geothermal power plants and responds to the financing needs of investors.</p> <p>The Bank also enters into loan agreements with international financing institutions to finance energy and resource efficiency projects. In the private sector, the Bank provides merger and acquisition advisory services to companies operating in the energy, chemicals, automotive, packaging, retail and technology sectors.</p> <p>The Development and Investment Bank of Türkiye stands out with the significant financial support it has provided to various sectors of Türkiye over the last 19 years. The Bank has contributed to the national economy with USD 5.7 billion in financing from international funds in many areas such as industry, renewable energy, energy and resource efficiency, circular economy, education, health, wholesale banking, urban infrastructure and tourism.</p> <p>In 2024, TKYB's sustainability-themed loan portfolio accounted for 79% of the total portfolio, which increased to 93% by the end of 2023. This development demonstrates the importance the Bank attaches to sustainable investments and its commitment in this area. In 2023, TKYB directly or indirectly contributed to 15 of the 17 sustainable development goals by providing loans linked to sustainable development goals totaling USD 2.6 billion. In addition, the Bank financed 6% of Türkiye's renewable energy projects and supported the reduction of 4.6 million metric tons of CO₂ emissions.</p> <p>The Development and Investment Bank of Türkiye has assumed a leadership role in this transformation process and has increased its efforts to expand its green finance portfolio and integrate sustainability principles into its operations by following global and sectoral developments. The Bank is a pioneer in supporting Türkiye's vision of achieving net zero emissions by 2053 and is implementing various strategic financing projects in this direction. It is also committed to achieving net zero emissions by 2050. TKYB's portfolio consists of 83% investment loans, 7% operating loans and 10% APEX loans. In addition, 58% of the portfolio covers renewable energy and energy efficiency projects.</p>	<p>2023 Integrated Report:</p> <p>Effective Stakeholder Engagement</p> <p>Customer Satisfaction</p> <p>Stakeholder Capitalism and Transparency</p> <p>Net-Zero Economy</p> <p>Natural Capital</p>

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<div></div> PRINCIPLE 4: STAKEHOLDERS WE WILL PROACTIVELY AND RESPONSIBLY CONSULT, ENGAGE AND PARTNER WITH RELEVANT STAKEHOLDERS TO ACHIEVE SOCIETY'S GOALS.		
<p>4.1 Explain which stakeholders (or groups/ types of stakeholders) the Bank consults, interacts with, collaborates with or partners with to implement these Principles and improve their impact.</p> <p>This disclosure should include a comprehensive explanation of how the Bank has identified relevant stakeholders and what issues have been addressed/ what outputs have been achieved.</p>	<p>The Development and Investment Bank of Türkiye acts with an integrated perspective within the scope of its sustainability strategy. In line with its sustainability strategy, the Bank attaches great importance to receiving stakeholders' opinions on material issues.</p> <p>The Development and Investment Bank of Türkiye communicates with its stakeholders at regular intervals. Through this communication, the Bank focuses on stakeholders' material topics and listens to their views on business conduct. At the same time, the Bank understands stakeholders' expectations, creates value by accounting for their expectations, and improves its activities and practices to meet these expectations.</p> <p>Stakeholder groups include employees, international financial institutions, investors, customers, public institutions, non-governmental organizations, suppliers and auditors. The expectations of each stakeholder group are different and therefore the channels and nature of communication also differ. Detailed information can be found in the stakeholder engagement table.</p>	<p>2023 Integrated Report:</p> <p>Effective Stakeholder Engagement</p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	COMPREHENSIVE SUMMARY OF THE BANK'S RESPONSE	BANK'S FULL RESPONSE OR LINKS TO RELATED INFORMATION
<div></div> PRINCIPLE 5: GOVERNANCE & CULTURE WE WILL IMPLEMENT OUR COMMITMENT TO THESE PRINCIPLES THROUGH EFFECTIVE GOVERNANCE AND A CULTURE OF RESPONSIBLE BANKING.		
<p>5.1 Describe the Bank's relevant governance structure, policies and procedures, which already exists or is planned to manage significant positive and (potential) negative impacts and support the effective implementation of the Principles.</p>	<p>Under the leadership of the Sustainability Committee, the Development and Investment Bank of Türkiye continues the necessary efforts to develop and integrate sustainability strategy and policies into all activities. In order to strengthen the Bank's sustainability management structure, which addresses economic, social and environmental issues with a holistic approach:</p> <p>In addition to the 2020 Environmental and Social Policy and the measures taken to manage direct environmental and social risks arising from its operational activities, the Bank also evaluates indirect risks arising from its lending activities.</p> <p>In 2021, the Bank switched to the Integrated Management System and abolished the Environmental Management Committee and assigned quality, environment and OHS issues to the responsibility of the entire Bank. The Bank established the Sustainability and Environmental Social Impact Management Unit in order to gather the activities carried out under different units in the fields of sustainability and environmental social risk management under a centralized business model and to carry out them in a more focused and efficient manner.</p> <p>The Sustainability and Environmental Social Impact Management Unit prepared Environmental and Social Risk Assessment Reports for hundreds of projects through the team involved in all lending processes of the Bank.</p> <p>As it enters 2023, TKYB has maintained its commitment to the Environmental and Social Policy published in 2020 and has adapted to a broader vision with its updates. In 2023, the Development and Investment Bank of Türkiye adheres to its Environmental and Social Policy and does not finance investments that may have unacceptable impacts on the environment and society.</p> <p>The Bank also assesses indirect risks that may arise within the scope of its lending activities. The Bank conducts environmental and social risk assessments as part of routine decision-making processes in all credit applications. These assessments are made to analyze the risks of customers and projects separately. In 2020, the Bank published the "Environmental and Social Risk Assessment Procedure in the Lending Process" to formalize these environmental and social assessments into policies.</p> <p>In addition, the Bank monitors greenhouse gas emissions arising from the Bank's operations and sets targets for their reduction in line with its Climate Change Mitigation and Adaptation Policy published in 2020.</p> <p>The Bank's annual performance regarding verified greenhouse gas emissions is voluntarily reported to the CDP Climate Change Program. In order to improve the comprehensiveness of its management system, the Development and Investment Bank of Turkey obtained ISO 9001 Quality Management System, 45001 Occupational Health and Safety Management System, ISO 14001 Environmental Management System and, in 2022, additional ISO 27001 Information Security Management System and ISO 10002 Customer Satisfaction Quality Management System certifications. In addition, the company completed the transition to an integrated management system, extending the responsibility for the management of Sustainability Principles to the entire organization.</p>	<p>2023 Integrated Report:</p> <p>Our Policies and Principles</p>

UNEP - FI Principles for Responsible Banking Reporting Index

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	COMPREHENSIVE SUMMARY OF THE BANK'S RESPONSE	BANK'S FULL RESPONSE OR LINKS TO RELATED INFORMATION
<div></div> <div>PRINCIPLE 5: GOVERNANCE & CULTURE WE WILL IMPLEMENT OUR COMMITMENT TO THESE PRINCIPLES THROUGH EFFECTIVE GOVERNANCE AND A CULTURE OF RESPONSIBLE BANKING.</div>		

5.2 Explain the initiatives and measures that the Bank has already implemented or plans to implement to foster a culture of responsible banking among employees.

This disclosure should include, inter alia, a comprehensive explanation of capacity building, compensation structure and performance management and leadership communication.

The Development and Investment Bank of Türkiye has established an Ethics Commission in accordance with the Regulation on the Principles of Ethical Behavior and Application Procedures and Principles for Public Officials. In accordance with the relevant regulation and the Bank's Human Resources Policy, the Bank's employees are obliged to act in accordance with the "Ethical Principles Agreement" and the "Banking Ethical Principles of the Banks Association of Türkiye."

The Development and Investment Bank of Türkiye's Commitment document includes Ethical Principles, Compliance, Information Security, Data Security, and Confidentiality Information. In addition, the Bank has "Combating Laundering Proceeds of Crime and Financing of Terrorism" and "Conflict of Interest" policies. The Development and Investment Bank of Türkiye has established an Ethics Hotline to enable employees to report practices and misconduct contrary to the Code of Ethical Conduct to senior management.

In line with its values, the Development and Investment Bank of Türkiye has defined managerial, core and functional competencies for managerial positions and core and functional competencies for other positions. The Bank conducts its human resources processes in a completely merit-oriented manner. Employee performance is evaluated based on competencies, targets, and their achievement. Employee evaluations are carried out by two managers of the employee and submitted to the approval of the employee to ensure that the process is objective. Managers hold feedback meetings with the employees they evaluate.

Employee remuneration is determined in accordance with the Remuneration Policy approved by the Board of Directors and in line with the Performance Management System. It is the responsibility of the Remuneration Committee and the Human Resources Department authorized by the Committee to review and duly execute the remuneration policies.

The remuneration policy of the Development and Investment Bank of Türkiye is based on the principles of "equal pay for equal work" and "remuneration based on performance". The Development and Investment Bank of Türkiye organizes training programs to further improve the quality of its workforce and to support the personal development of its employees.

In 2023, 421 employees received training, and a total of 16,892 hours were spent for this training. TKYB has adopted a comprehensive training strategy within the framework of the Training Management Procedure to support the individual and professional development of its employees. This procedure supports organizational development in line with the Bank's goals and policies and aims to create a culture of continuous learning that encompasses all employees. This procedure covers processes such as determining the principles and methods of training activities, identifying training needs, planning, conducting and evaluating training, and keeping training records.

As of 2023, the Bank's training programs are presented in various categories aimed at improving the knowledge and skills of employees. In this context, comprehensive training programs were organized in areas such as environmental management, OHS, ethics, technical and personal development, and anti-corruption. In 2023, training programs were organized under 290 different topics and the average training hours per person was 53.3 hours. Most of the training programs were offered in online and classroom formats. Mandatory trainings were made accessible and completed for all employees through the online training platform. In addition, memberships to various online training platforms with high international recognition were obtained and customized trainings were offered according to the needs of the units.

2023 Integrated Report:

Employee Development and Welfare

Career and Performance Management

Ethics and Compliance

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	COMPREHENSIVE SUMMARY OF THE BANK'S RESPONSE	BANK'S FULL RESPONSE OR LINKS TO RELATED INFORMATION
<div></div> <div>PRINCIPLE 5: GOVERNANCE & CULTURE WE WILL IMPLEMENT OUR COMMITMENT TO THESE PRINCIPLES THROUGH EFFECTIVE GOVERNANCE AND A CULTURE OF RESPONSIBLE BANKING.</div>		

Various certification programs were organized at our Bank to support the career journeys of our employees. With the Corporate Sustainability Expertise Certificate Program implemented in cooperation with TCMA (Turkish Capital Markets Association), 38 employees were certified.

The 2023 data on training duration shows a significant increase in the number of training programs offered to women and men employees and management staff. Compared to 2022, the average training duration for women employees increased from 43 hours to 59.40 hours, while for men it increased from 41.80 hours to 49.51 hours.


The training provided to management staff is also noteworthy in this context. The number of hours of training provided to senior management employees increased from 7.80 hours to 32 hours, a nearly four-fold increase. Similarly, training hours for middle management also increased significantly, rising from 28.40 hours to 36 hours.

Leadership Development Programs are organized for managerial staff. Journal and database memberships specific to the units are organized as needed. In addition, in order to support the employee development journey, postgraduate education discount agreements have been made with Türkiye's leading universities for employees who wish to pursue a master's degree and doctorate, and support is provided to employees who wish to advance their careers by announcing these agreements to all employees.

5.3 Governance and Culture	Operating in line with its role in supporting sustainable development and responsible banking approach, the Development and Investment Bank of Türkiye adopts a comprehensive and participatory management approach and focuses on creating value for all its stakeholders.	2023 Integrated Report:
Governance Structure for the Application of the Principles	Established in 2021, the Sustainability Committee continues to develop the Bank's sustainability strategy and policies in 2023 and works to integrate them into all activities. In this context, the Sustainability Working Group convened twice in 2023.	Our Sustainability Governance
Demonstrate that the Bank has a governance structure for the application of the Principles of Responsible Banking.	The Bank manages the environmental impacts of its operations through the Environmental Management System. In 2023, the Bank completed the transition to the Integrated Management System and adopted the environmental management policy as a responsibility for all Bank units, thus strengthening corporate awareness, monitoring and audit capacity.	Effective Corporate Governance
These activities should also include the following topics:	The Development and Investment Bank of Türkiye sets internal policies at the Board level to develop sound practices for the core principles of corporate governance such as fairness, transparency, accountability and security. The Bank manages responsible banking principles through the Ethics Commission.	
a) Setting goals and carrying out activities to achieve the set goals		
b) Carrying out corrective actions in case the targets or important steps are not achieved or an unexpected negative impact is detected.		

The Bank fulfills the requirements of the governance structure for the implementation of the Principles through its existing governance structure and the measures taken to strengthen and make it more effective.

UNEP - FI Principles for Responsible Banking Reporting Index

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	COMPREHENSIVE SUMMARY OF THE BANK'S RESPONSE	BANK'S FULL RESPONSE OR LINKS TO RELATED INFORMATION
<div></div> <div>PRINCIPLE 6: TRANSPARENCY & ACCOUNTABILITY WE WILL PERIODICALLY REVIEW OUR INDIVIDUAL AND COLLECTIVE IMPLEMENTATION OF THESE PRINCIPLES AND BE TRANSPARENT ABOUT AND ACCOUNTABLE FOR OUR POSITIVE AND NEGATIVE IMPACTS AND OUR CONTRIBUTION TO SOCIETY'S GOALS.</div>		
<p>6.1 Transparency & Accountability</p> <p>Progress in Implementation of the Principles of Responsible Banking</p> <p>In addition to setting and implementing targets in at least two areas, show how the Bank has made progress in implementing the six Principles in the last 12 months (up to 18 months at first report after signing). (see 2.1-2.4).</p> <p>Demonstrate that the Bank takes into account current and emerging international/regional good practices regarding the implementation of the six Principles of Responsible Banking. Based on this, it has defined priorities and targets to align with good practice.</p> <p>Demonstrate that the Bank is making changes/working on its current practices and making progress in implementing these Principles to reflect and align current and emerging international/regional good practices.</p>	<p>Türkiye Kalkınma ve Yatırım Bankası A.Ş. 2023 Integrated Report is the fourth Integrated Report published by the Bank. The 2023 Integrated Report has been prepared in accordance with GRI Standards and is based on the International Integrated Reporting Framework supported by the Value Reporting Foundation.</p> <p>In September 2022, the Bank published its first Impact Report in line with Türkiye's Impact Principles, transparently sharing the Bank's commitments and approach to managing and enhancing its environmental and social impact.</p> <p>The Bank voluntarily reports its annual greenhouse gas emissions performance to the CDP Climate Change Program. Within the scope of the Carbon Disclosure Project (CDP), the Bank received a B (management) score in 2023.</p> <p>The report includes data on greenhouse gas emission intensity (tCO₂e/average number of employees), electricity consumption (GJ), paper consumption (kg) and amount of waste sent for recycling (kg) as selected environmental performance indicators; social performance indicators include number of employees, ratio of women employees (total, senior and mid-level) and training time per employee, as well as data on the installed capacity of financed renewable energy projects (MW), financing provided for renewable energy (thousand TL) and annual tCO₂ emissions prevented by financed renewable energy projects for 2023. These data have been subject to independent limited audit.</p> <p>The report also demonstrates the Bank's commitment to the UNEP - FI Principles for Responsible Banking. The Bank advocates for responsible banking principles as a member and participant in many international organizations. This enables the Bank to collaborate in monitoring and implementing existing and emerging best practices. The Bank determines its strategic goals and material topics of focus in line with the United Nations Sustainable Development Goals.</p> <p>The Bank contributes directly and indirectly to 15 of the 17 SDGs, including 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: Partnership for the Goals.</p>	<p>2023 Integrated Report:</p> <p>About the Report</p> <p>Our Strategic Approach to Sustainability</p>
The Development Investment Bank fulfills the requirements for progress in the implementation of the Principles of Responsible Banking.		

Independent Assurance Report



(Convenience translation of a 2023 Integrated Report and independent assurance report originally issued in Turkish)

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Independent Assurance Report

To the Management of Türkiye Kalkınma ve Yatırım Bankası Anonim Şirketi,
İstanbul, 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 2023 Integrated Report's ('2023 Integrated Report') that has been prepared by the TKYB for the period running from January 1, 2023, to 31 December 2023.

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 located on the pages numbered 24, 25, 26, 27, 31, 95, 111, 114, 115, 133, 137, 138,139,146,149,156,158,209,233,234,235,236, 237 ve 238 of the TKYB 2023 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 2023 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
- 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 2023
- The share of TKYB in Turkey's renewable energy capacity as of the end of 2023 (%)
- The ratio of SKA-related loans to the total portfolio as of the end of 2023 (%)
- The amount of SDG-linked loans utilized in 2023
- The percentage of the climate and environment-related SDG-linked loan portfolio to the total portfolio in 2023 (%)
- The number of projects assessed for environmental and social risks in 2023

- The grades of projects assessed for environmental and social risks in 2023
- Sustainability governance
- The amount of financing provided to renewable energy in 2023
- The annual tCO₂ emissions prevented by renewable energy projects financed in 2023
- Contribution to planned additional employment through project finance loans signed in 2023

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

The Bank's Responsibilities

The Bank's management is responsible for the preparation, collection, and presentation of the Selected Information in accordance with the Operating Principles for Impact Management. In addition, the Bank's management is responsible for ensuring that the documentation provided to the practitioner is complete and accurate. This also includes establishing and maintaining internal control system guaranteeing that the records are free from material misstatement, whether due to fraud or error.

Our Responsibilities

We conducted our assurance engagement in accordance with the Assurance Engagement Standard (AES) 3000 and 3410 which is a part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). These regulations require that we comply with the ethical standards and plan and perform our assurance engagement to obtain limited assurance about the Selected Information.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement.

Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

The procedures selected depend on the practitioner's judgment. The procedures include inquiry of the personnel responsible for collecting and reporting on the Selected Information and additional procedures aimed at obtaining evidence about the Selected Information.



(Convenience translation of a 2023 Integrated Report and independent assurance report originally issued in Turkish)

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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:

- 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;
- 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;
- Undertook substantive testing, on a sample basis, of the Selected Information;
- Used the Bank's internal documentation to evaluate and measure the Selected Information;
- Evaluated the design and implementation of key processes and controls over the Selected Information;
- Re-performed, on a sample basis, calculations used to prepare the Selected Information for the reporting period.
- Evaluated the disclosure and presentation of the Selected Information in the 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, 2023, 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 2023 Integrated Report for the year ended in December 31, 2023, 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.

Güney Bagimsiz Denetim ve Serbest Muhasebeci Mali Musavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Zeynep Okuyan Özdemir, SMMM
Partner

21 November 2024
İstanbul, Türkiye



**DEVELOPMENT
INVESTMENT
BANK OF TÜRKİYE**

Contact Information

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The Development and Investment Bank of Türkiye (Türkiye Kalkınma ve Yatırım Bankası A.Ş.) 2023 Integrated Report (hereinafter referred to as the "Report") is prepared by Development and Investment Bank of Türkiye. The Report has been prepared for informational purposes only and does not constitute a basis for any investment decision. The content and information contained in this Report have been prepared using information and sources believed to be accurate and reliable at the time the Report was prepared, hence it cannot be interpreted that the content and the information contained in the Report as a representation, warranty and/or undertaking and it is not guaranteed that the information and content contained in this Report are complete and unchangeable. Members of the board of directors, managers, employees, consultants of Development and Investment Bank of Türkiye and of its affiliates and all other persons and institutions contributing to the production of the Report shall not be responsible for any direct or indirect loss and damage that a person may suffer as a result of information or communication based on information contained in the report or not included in the Report. All rights of this Report belong to Development and Investment Bank of Türkiye.