



TSKB
SUSTAINABILITY REPORT
2015

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ABOUT THIS REPORT

5th SUSTAINABILITY REPORT

TSKB presents its 2015 sustainability performance in its fifth sustainability report. This report is 'In Accordance' with the GRI (Global Reporting Initiative) G4 Guidelines - Comprehensive option.



NEW REPORT BY SUSTAINABILITY COMMITTEE

TSKB continued its sustainability efforts via the Sustainability Committee. Sustainability performance was reported by the workgroups affiliated with the Committee.

TSKB took its first steps towards this objective last year by preparing the 2013-2014 sustainability report without external consultancy. Doing the same while preparing the 2015 sustainability report, TSKB pursued a model that involved collaboration between different workgroups and experience sharing.



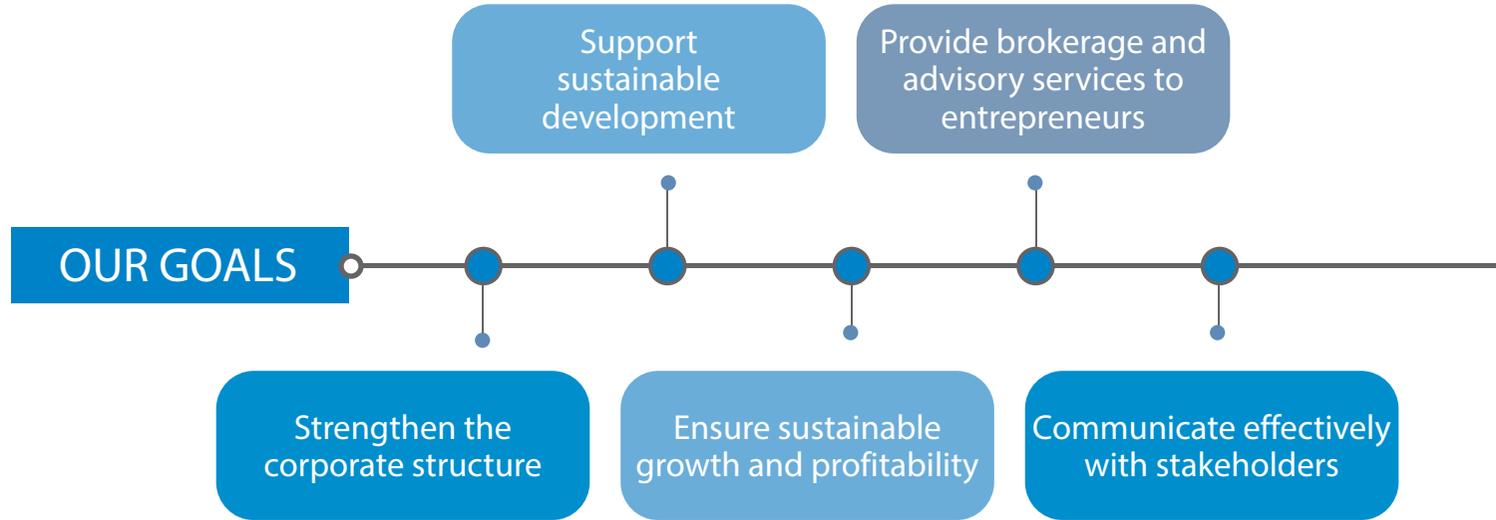
OUR VISION & MISSION

Our Vision

To be the pioneering bank for Turkey's sustainable development.

Our Mission

For Turkey's sustainable development, supply entrepreneurs with medium and long-term financing, brokerage and advisory support, play a continuous role in the development of capital markets in Turkey, create increasingly more added value for our shareholders, customers, employees, and all other stakeholders.



OUR STRENGTHS



Solid capital structure and strong partners



Trust of international and supranational fund providers



Access to long-term thematic funds and competency in transferring these funds to business world



Professional and highly experienced human resources



Ability to reach customers with high operational efficiency



Reliable and advanced technological infrastructure

CHAIRMAN'S MESSAGE



Rapidly increasing demand and infinite options to meet these demands lead to consequences that will shape our future. Climate change is the most far-reaching one among these consequences, and is at the top of agendas of not only governments or nongovernmental organizations but also the business world.

Promising global collaborations such as the Paris Convention should be supported with sustainable business models; companies have to integrate the concept of sustainable production into their business processes, and every industry has to be transformed with a sense of sustainability.

Considering the amount of investments required for this transformation, the importance of financial sector as a provider of funding comes to the forefront once again.

Having pioneered in many fields through its history of development for 66 years, TSKB has adopted the concept of sustainability early, and turned its experience in sustainability into an advantage. In this sense, TSKB is a distinctive institution with its financing solutions and expertise.

We believe that our experience and expertise on sustainability gain value when shared. We hope that our 2015 sustainability performance report will be of interest to our shareholders and the sector in general.

Kind Regards,

A handwritten signature in black ink, which appears to read "Adnan Bali". The signature is written in a cursive style and is positioned to the right of the "Kind Regards," text.

ADNAN BALI
Chairman

CEO'S MESSAGE



Tackling climate change is one of the most important topics in the agenda for almost every country, sector and organization. Governments take new measures in order to mitigate economic, social and environmental risks; sectors that want to achieve compliance with regulations develop new strategies, and organizations make long-term plans to gain competitive advantage. Sustainability is at the core of these strategies.

Believing that the concept of sustainability is the foundation of our development banking mission, TSKB works for a sustainable development in Turkey.

For this purpose, we shoulder responsibility by supporting renewable energy, resource efficiency and sustainable tourism projects that may help reduce foreign dependency, realize innovative initiatives that make a difference, align different sectors for the competitive atmosphere of "Industry 4.0" and create new job opportunities.

While measuring environmental and social risks of the projects, we also analyze environmental effects of our own operations, consume 100% green energy, and offset our carbon footprint. As the first carbon-neutral bank in Turkey, we continue to raise carbon awareness through our social responsibility projects, communication channels, educational activities and events.

We are integrating the concept of sustainability into all of our business processes in TSKB. We expand our sustainability initiatives across all functions through our Sustainability Committee and workgroups, and review innovative practices and collaboration

opportunities. We are glad to be listed in the BIST Sustainability Index thanks to joint efforts of our colleagues in the sustainability workgroups.

We are aware of the importance of collaboration with other international organizations to achieve sustainable development targets. As part of COP21, we support tackling climate change on global level by signing the ELTI (European Long-Term Investors Association) and IDFC (International Development Finance Club) declarations that will spread the efforts to the financial sector.

Our new Sustainability Report is prepared 'In Accordance' with the GRI G4 Guidelines - Comprehensive option and presents our sustainability performance in 2015, which also marks our 65th year in our development journey. Although the report only covers our 2015 operations, we know that sustainable development is a very long journey. We will continue to create financial solutions that help our partners reach their sustainability goals, and will support productivity by protecting the future.

Kind Regards,

SUAT İNCE

CEO

COMPANY PROFILE

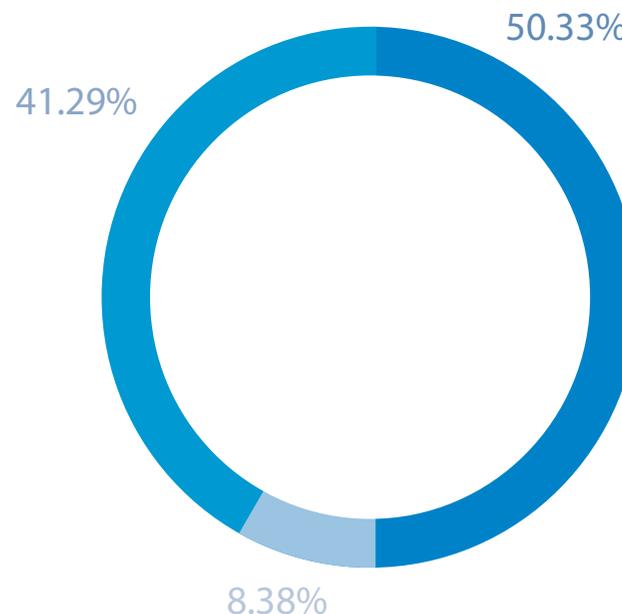
Sustainable value for Turkey's economic growth since 1950...

TSKB was established in 1950 in Istanbul with the support of World Bank and the Central Bank of Turkey and shareholding of private commercial banks, with the mission of supporting the Turkish private sector development. Since the day it was founded, TSKB has been supporting Turkey's sustainable growth with its deep knowledge and experience as well as the broad array of corporate banking, investment banking, and consultancy services that it provides its customers. Through subsidiaries offering real estate and sustainability solutions, TSKB also adds value to its customers' investments.

Ever since its inception, TSKB has been engaging in business partnerships with supranational financial institutions, international development agencies, and banks and financial institutions all over the world through which it brings qualified and themed global funds together with investments undertaken by the Turkish business world.

With a wide range of credit options that include corporate lending, project finance, and much more, TSKB provides financing support to sustainable investment projects in many different sectors. At the same time and in its capacity as an investment bank, TSKB also gives its customers the benefit of its international-class investment banking experience with products and services that have been carefully crafted to meet their specific needs.

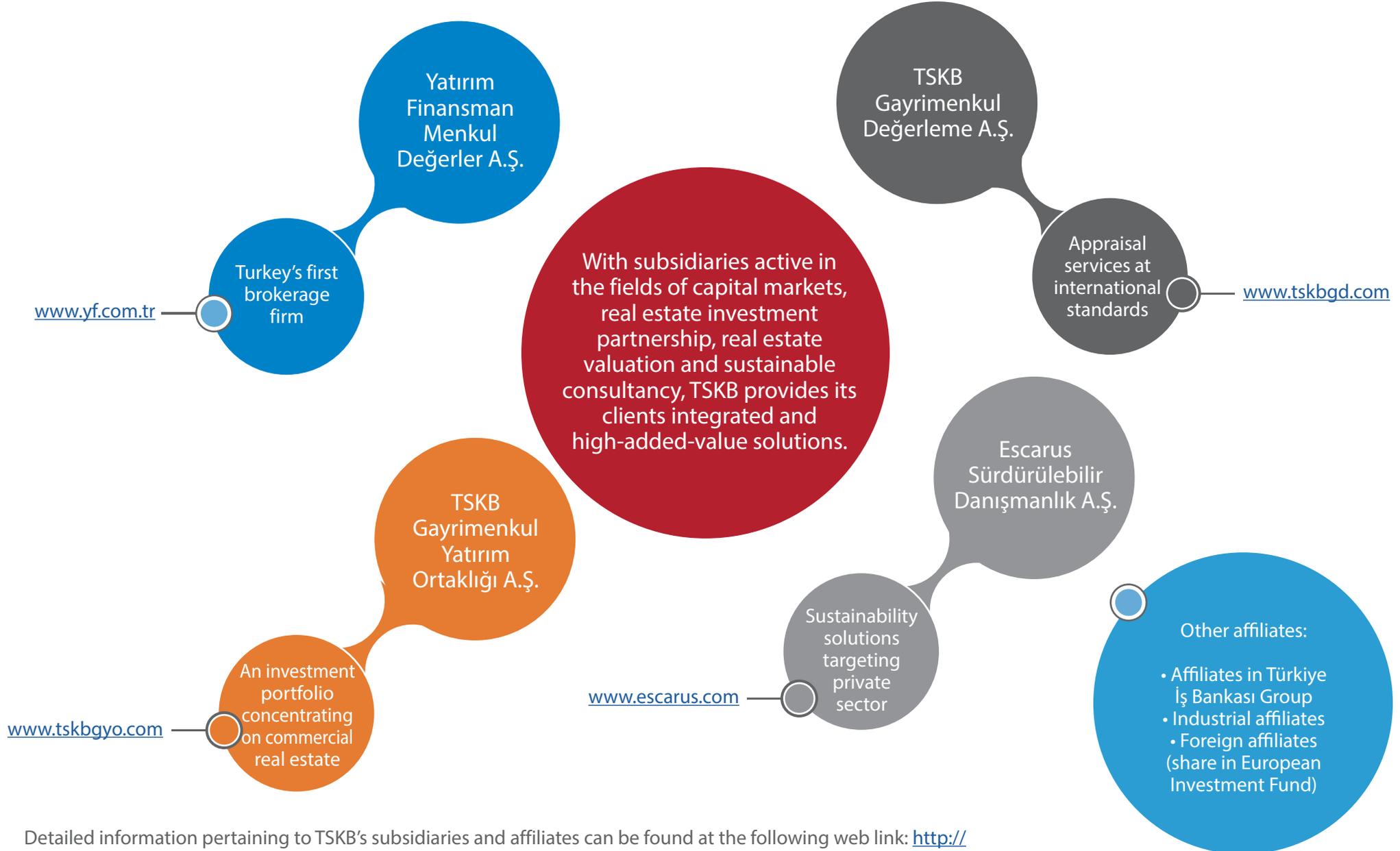
TSKB's shareholder structure



- T. İş Bankası A.Ş. Group
- T. Vakıflar Bankası T.A.O.
- Free Float and Others

Detailed information pertaining to TSKB's capital structure can be found at the following web link: <http://www.tskb.com.tr/en/about-us/general-overview>

TSKB'S SUBSIDIARIES



Detailed information pertaining to TSKB's subsidiaries and affiliates can be found at the following web link: <http://www.tskb.com.tr/en/subsidiaries>

TSKB'S PRODUCTS AND SERVICES

TSKB offers a rich portfolio of products and services, which is designed and structured in line with the country's development and Turkish business world's goals, in the fields of Corporate Banking, Investment Banking and Consultancy.

Corporate Banking	Investment Banking	Consultancy
<p>Contribution to the Country's economy and employment...</p> <p>Corporate Lending Industrial Investments Energy and Resource Efficiency Environment Friendly Investments Renewable Energy Sustainable Tourism Health and Education Investments</p> <p>Project Finance Power Generation and Distribution Commercial Real Estate Logistics Transportation/Infrastructure Public - Private Partnership Projects Mergers & Acquisitions</p> <p>Other Loan Products Wholesale Banking • SME Finance • Export Finance Foreign Trade Finance Country (ECA) Loans Working Capital Finance Financial Leasing</p>	<p>Support to improve clients' assets...</p> <p>Corporate Finance Equity Public Offerings and Transactions Debt Security Offerings and Transactions Mergers & Acquisitions Asset Purchases & Sales Advisory Privatization Advisory</p> <p>Capital Markets* Equities Brokerage Services Fixed Income Securities Brokerage Services FX Transactions Warrant Transactions Repo Transactions Derivative Transactions in International Markets Forex and Leveraged Trading Loans Against Securities Asset Management Investment Advisory</p> <p>Derivatives Forwards Options Caps & Floors Swaptions Swap Transactions • Currency • Interest Rate • Cross Currency</p>	<p>Added value based on expert knowledge...</p> <p>Strategic Finance Consultancy Company, Brand and Licence Valuation Feasibility Analyses & Studies Financial Restructuring Strategic Roadmaps Sector Analyses Project Finance Consultancy</p> <p>Real Estate Valuation* Real Estate Appraisal Machinery and Equipment Appraisal Bidding Consultancy The Highest and Best-Use Analyses Collateral Appraisal Feasibility, Project Development & Monitoring Sector Analyses and Market Research Report Green Building Analyses Urban Renewal Consultancy Concept Development Consultancy</p> <p>Sustainability and Environment* Sustainability Management Environmental and Social Impact Assessment Technical Consultancy Climate Change Management Carbon Consultancy Environmental and Social Risk Management Investment Monitoring for Financial Institutions Renewable Energy Consultancy</p>

*TSKB provides a part of its services in investment banking and advisory services within the scope of cooperation with its subsidiaries; Yatırım Finansman Menkul Değerler A.Ş., TSKB Gayrimenkul Değerleme A.Ş. and Escarus Sürdürülebilir Danışmanlık A.Ş.

SUSTAINABILITY AT TSKB



More than **50%** of TSKB's credit portfolio is composed of sustainability investment projects.

100+

Financing more than 100 energy and resource efficiency projects, TSKB saves enough energy to provide heating to a city of 1.5 million people for one year.



TSKB supports more than 100 renewable energy projects which account for 13% of the renewable energy capacity in Turkey.

Sustainability investments supported by TSKB reduce the carbon footprint of Turkey by 8.3 million tons.



BIST

TSKB joined the BIST (Istanbul Stock Exchange) Sustainability Index that was established by Istanbul Stock Exchange to list the companies with the highest corporate sustainability performances.

10% of TSKB employees take part in the sustainability workgroups affiliated with the Sustainability Committee together with two Board Members and two Vice Presidents.



D20

Long-term financing institutions of G20 came together at the D20 Conference hosted by TSKB.

SUSTAINABILITY AT TSKB

Sustainability at TSKB



Caring about efficiency, TSKB saved on many consumables between 2005-2015.

- 27% less electricity
- 48% less paper
- 42% less natural gas
- 29% less water

TSKB facilities have been using 100% green energy since 2009.



After attending Paris Climate Change Conference (COP21), the TSKB Sustainability Management Team developed new strategies for tackling climate change.

COP21



Sustainability performance of TSKB has received many awards.

- Highest Corporate Report Transparency rating given to a bank by Transparency International - 2015
- Climate Disclosure Leadership - CDP-2015
- Low Carbon Hero Award - SÜT-D-2015
- Highest Corporate Governance Rating - TKYD 2011-2013-2014

TSKB strives to build a sustainable future, increase awareness on climate change and carbon management among businesses and universities with its social responsibility projects, and organized the first zero-carbon concert in Turkey.



56% of TSKB's employees are women.

TSKB increased its support on women's employment by signing the UN Women's Empowerment Principles (WEPs).

D20

TSKB
celebrated its
65th year
by hosting a very
special development
banking event.

3rd D20
Conference - İstanbul 2015

Infrastructure as Long Term Investment Tool for
Sustainable and Comprehensive Growth

TSKB
65 years



After the 2013 D20 conference in Moscow and 2014 conference in Rome, the third D20 conference was hosted by TSKB in İstanbul.

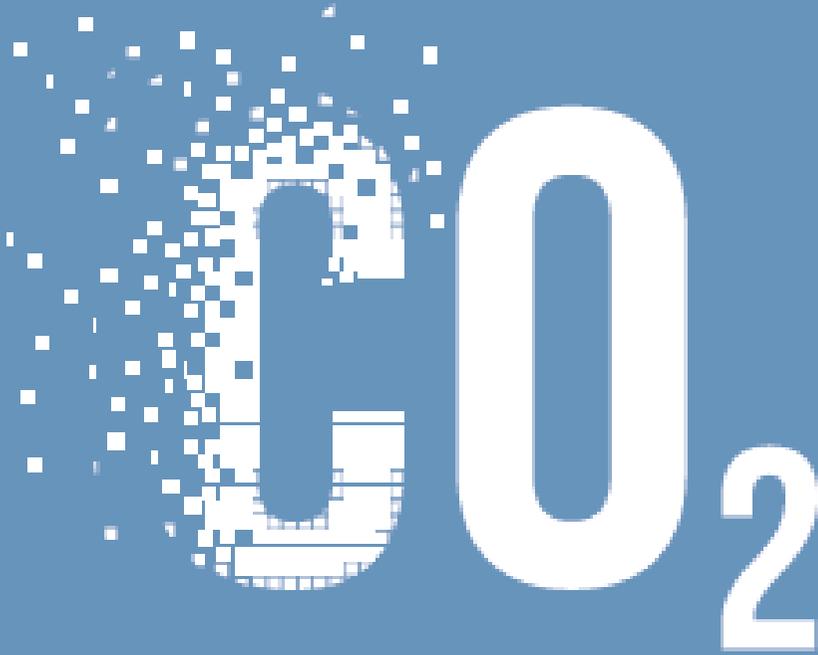
Executives of development banks in G20 member states, long-term investment organizations and major financial institutions came together at the 3rd D20 Conference held in İstanbul on May 26, 2015.

In this conference themed "Infrastructure as a Long-Term Investment Tool for Sustainable and Comprehensive Growth", business models on granting long-term funding to infrastructure investments from non-bank sectors and priority social infrastructure investments that are important for improving the lives of people were discussed in detail.



CARBON-NEUTRAL BANKING

Being the first carbon-neutral bank of Turkey, TSKB manages its carbon efficiency principle by funding investments and social responsibility projects, and supports transition to a low-carbon economy.

A large graphic of the chemical formula CO2. The 'C' is composed of a grid of small white squares, while the 'O's are solid white. The '2' is a simple white outline. The graphic is set against a blue background with a subtle pattern of white squares.

TSKB believes in the importance of transition to a low-carbon economy in the sense of tackling climate change. Saving 8.3 million tons of CO2 every year by making investments in sustainability, TSKB applies this carbon-neutral approach to events and stakeholders, and reinforces its passion with awareness campaigns:

- Within the scope of internal environmental impact management, TSKB Head Offices consume 100% clean energy and achieve zero-sum carbon footprint every year.
- All events and organizations are conducted with a zero-carbon approach. TSKB's recruitment program Career Workshop, its global-participation event D20 Summit and many other events are among these activities.
- Organized every year as part of İKSV Music Festival and sponsored by TSKB, the first zero-carbon concert event of Turkey aims to offset the carbon footprint generated due to the transportation of artists and the audience.
- As a New Year's gift, TSKB offsets the annual personal carbon footprint of all stakeholders and presents them with a certificate that they have been carbon-neutral for the year.
- Sources such as wind power and landfill gas are used for this carbon footprint offsetting campaign.

Valuing every opportunity to increase awareness on tackling climate change, TSKB supports the WWF Earth Hour campaign that aims to draw attention to global warming.

COP21

TSKB Sustainability Management Team works on new sustainability strategies after attending one of the most important events of 2015 regarding tackling climate change –the Paris Climate Change Conference (COP21).

Considering that 70% of carbon emissions stem from the energy use in Turkey, TSKB Sustainability Management Team projects that renewable energy, energy and resource efficiency investments are expected to gain more importance.

TSKB's Climate Change Paris Climate Summit (COP21) Report can be found at the link:
http://www.tskb.com.tr/i-content/2963_1_COP-report-2916-son.pdf

Representatives of TSKB Sustainability Management Team attended Paris Climate Conference (COP21) that took place on 30 November – 11 December 2015 in Paris. The objective of the conference was assessing the progress in tackling climate change and discussing the activities and investments for a low carbon, flexible and sustainable future. The conference ended up with the Paris Agreement signed by 195 countries on 12 December 2015. This agreement has a historic significance in terms of bringing all countries together on the basis of their historical, current and future responsibilities.

Before the agreement, each country presented its own action plan in accordance with the goal of keeping the global warming below the 2 degrees Celsius limit. Although it has been calculated afterwards that these plans are not sufficient for the 2 degrees Celsius goal, they can be considered as declarations of goodwill. According to the agreement, these plans are going to be updated and improved in the light of technological progress every 5 years.

Based on their observations at COP21 and the results of the Paris Agreement, TSKB Sustainability Management Team projects that renewable energy, energy and resource efficiency investments are expected to gain more importance in the near future considering the fact that 70% of carbon emissions stem from the energy use in Turkey. TSKB Sustainability Management Team also emphasizes that what actions will be taken by the energy-intense sectors to comply with the new legislations in the upcoming period, how they will manage these issues, how they will decrease their energy intensity and their greenhouse gas emissions need to be closely monitored by the finance sector as well.

TSKB's connection with international financial institutions is as strong as its determination in tackling climate change. As the only Turkish member of the European Long-Term Investors Association, TSKB commits to follow ELTI's principles that support transition to a low-carbon economy. These principles are:

- Measuring and reporting our capacity to finance a low-carbon and sustainable economy, taking actions to improve our climate performance by 2020;
- Increasing the support for innovative tools as part of our low-carbon and climate-compatible economic targets;
- Discussing on how to provide large amount of funds to realize climate targets;
- Paying attention to carbon intensity of our portfolio, making climate-compatible investments, evaluating the environmental and social impacts of business models, strategic decisions and performance of the financed companies.

TSKB also supports the volunteering principles created by IDFC (International Development Finance Club) to popularize efforts on the climate change among financial institutions.



BIST

Sustainability
Index



TSKB
joined the
BIST (Borsa Istanbul)
Sustainability Index
that lists the companies
operating in Istanbul with
the highest corporate
sustainability performances.

TSKB was listed in the BIST Sustainability Index, which was one of the most important events for TSKB in 2015.

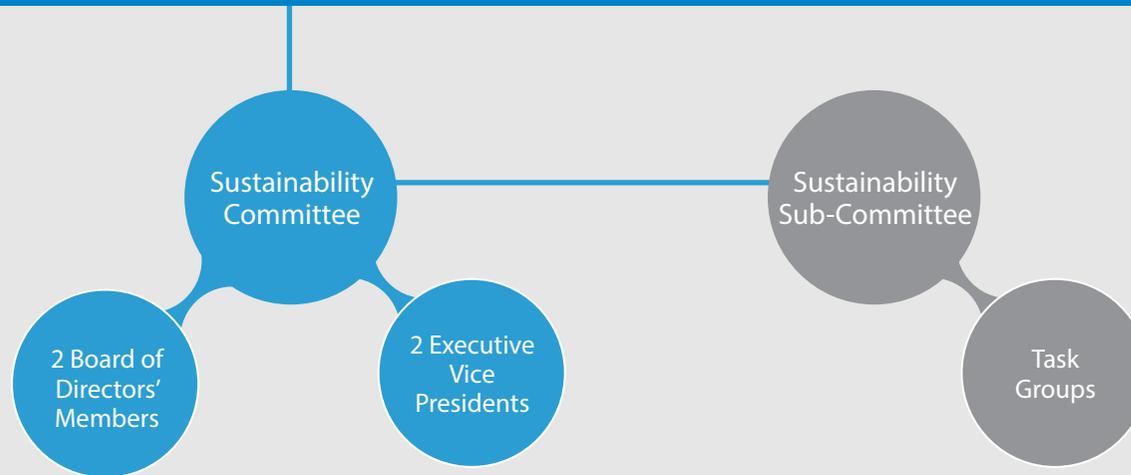
BIST Sustainability Index was established last year to recognize understanding, knowledge and ongoing efforts in terms of sustainability; companies listed in this index are evaluated based on some criteria including environment, bio-diversity, climate change, human rights, structure of their board of directors, anti-bribery acts, and occupational health and safety. This evaluation is carried out by an independent research company in London – Ethical Investment Research Services Limited (EIRIS).



38.19	1.7	▲	0.44%	▲	+0.43	5.26
56.12	4.1	▼	-1.78%	▼	-1.22	6.44
21.96	1.1	▲	2.36%	▲	+2.1	7.88
17.55	0.9	▲	1.98%	▲	+2.31	1.94
	7.1	▲	2.36%	▲	+7.1	1.53
						2.43



TSKB'S SUSTAINABILITY STRUCTURE



TSKB's Sustainability Structure

TSKB's Sustainability Policies	Sustainability Finance	Sustainability Management	Stakeholder Communications
<ul style="list-style-type: none"> • Sustainability Policy • Environmental and Social Impact Policy • List of Restricted Activities • Occupational Health and Safety Policy • Human Rights Policy • Sustainable Procurement Management Policy • Anti-Bribery and Anti-Corruption Policy <p>For detailed information: http://www.tskb.com.tr/en/sustainable-banking/tskb-surdurulebilirlik-yonetim-organizasyonu/our-sustainability-policy</p>	<ul style="list-style-type: none"> • Renewable Energy • Energy Efficiency • Resource Efficiency • Sustainable Tourism • Environmental Investments 	<ul style="list-style-type: none"> • ISO 14001 • ISO 14064 • Zero-Carbon Banking • Environmental and Social Risk Evaluation (ERET) 	<ul style="list-style-type: none"> • Clients • Employees • Shareholders • Government and Regulatory Bodies • Financial Institutions • Suppliers • Subsidiaries • NGOs • The Media • Banking Sector

STAKEHOLDER ANALYSIS

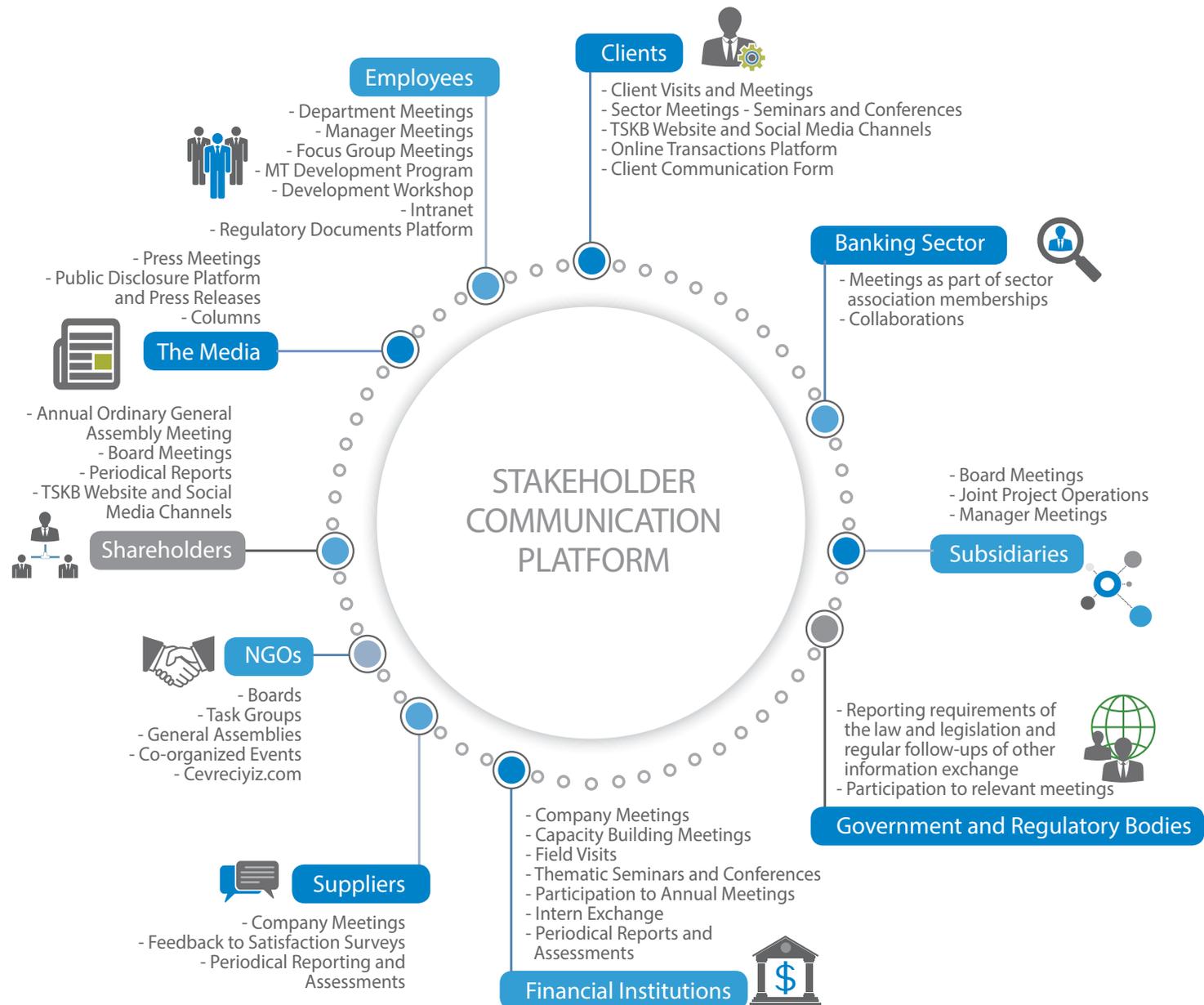
Focusing on creating value for Turkey's sustainable economic development, TSKB determined all of its corporate priorities in the field of sustainability in the light of its stakeholders' expectations.

In its sustainability report, TSKB shares its approaches and business results pertaining to these priorities.

In this report TSKB focuses on economic, environmental and social components of GRI G4 and those human rights and product responsibility aspects where the Bank creates added value. All the dialogs of TSKB with stakeholder groups and the results of stakeholder analysis carried out with participation of representatives of stakeholder groups are reviewed in prioritization matrix.

STAKEHOLDER PARTICIPATION

TSKB places great emphasis on establishing and maintaining a sustainable dialog with all stakeholder groups via various communication platforms. Feedback received from stakeholders sheds light to many aspects ranging from identifying TSKB's strategic priorities to creating relevant policies, and from business model to social responsibility projects.



PRIORITIZATION ANALYSIS

Prioritization and Stakeholder Analysis

In addition to contacts and meetings with all stakeholder groups in the framework of its business model, TSKB carried out a stakeholder analysis in the scope of its sustainability report. Prioritized fields that were identified considering GRI-G4 Technical Protocol were analyzed with a widely-participated survey that included practices under 7 headings.



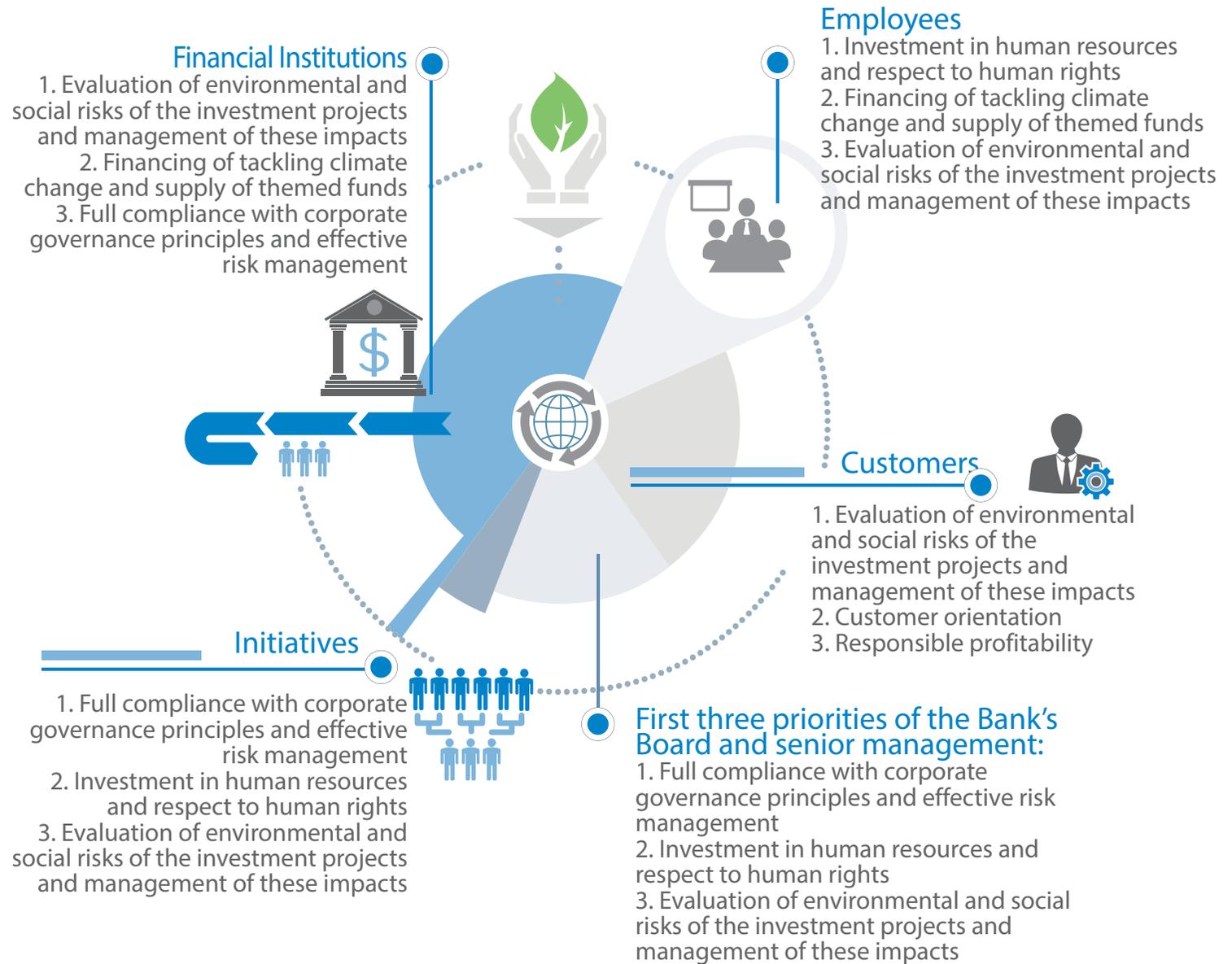
Dimensions of Prioritization Analysis

- A. Financing of tackling climate change and supply of themed funds**
 - Theme Diversity, Including Renewable Energy, Energy and Resource Efficiency, Sustainable Tourism, Waste Management and Innovation
 - Effective Cooperation with National and International Financial Institutions
- B. Evaluation of environmental and social risks of the investment projects and management of these impacts**
 - Compliance with Environmental Regulations
 - Efficiency
 - Biodiversity
 - Human Rights
 - Occupational Health and Safety
- C. Full compliance with corporate governance principles and effective risk management**
 - To be Ethical, Fair, Transparent, Responsible & Accountable
 - Risk (Capital, Operational, Loan, Asset-Liabilities) Management
- D. Customer orientation**
 - Cost Effective
 - Effective Lending
 - High Service Quality
- E. Responsible profitability**
 - Return on Equity
 - Sustainable Growth
 - Strong Capital Adequacy Ratio
 - High Quality Assets
 - Effective Management of Liquidity Position
- F. Investment in human resources and respect to human rights**
 - Training/Development
 - Remuneration
 - Effective Performance Management
 - Ensuring Work/Life Balance
 - Language, Religion, Ethnicity, Race, Gender Discrimination Prevention
- G. Social responsibility projects in creating awareness in the field of sustainability**
 - Sharing Sustainability Experience with Different Stakeholder Groups:
 - Our Employees
 - Business World
 - Universities
 - Initiatives
 - Non-Governmental Organizations
 - Public

PRIORITIZATION ANALYSIS

Prioritization Analysis Results

In review of the findings from TSKB's stakeholders and senior management's prioritization analysis, it is evident that stakeholder groups and Bank's Board and senior management have the following first three priorities:



PRIORITIZATION MATRIX

Findings from examination of the Prioritization Matrix

The fact that all criteria, from financing to governance and from human resources to social responsibility, are located on very close and similar area mutually on the graph both by stakeholder groups and by TSKB Board of Directors and senior management, reveals that the Bank's policies and business model in this regard has met the high expectations of stakeholder groups.

Highest priority given by stakeholders to "Evaluation of environmental and social risks of the investment projects and management of these impacts" strengthens TSKB's commitment to measure environmental and social risks involved in any lending facilitation and to refuse providing funds to high risk investments.

The fact that stakeholders' high expectations for "Financing of tackling climate change and supply of themed funds" which is expressed as "Sustainability Finance" has met TSKB's priorities is especially important as it reflects the awareness in the business world and among the other players in the economy.

As a missionary bank that supports investments for the purpose of the country's economic development, TSKB has highest priority of "Corporate Governance", which further underlines the Bank's unvarying policy towards being fair, transparent, responsible and accountable.

Having long-term relations with its clients both in terms of financing and consultancy activities, TSKB places great emphasis on expert and competent human resources, which is reflected on TSKB axis of stakeholder analysis.

Covering 360 degrees of all economic, environmental, managerial and social aspects of the journey of sustainability, TSKB will continue to have interactive dialogs with all of its stakeholders and to create added value.

High



Importance to Stakeholders



Low



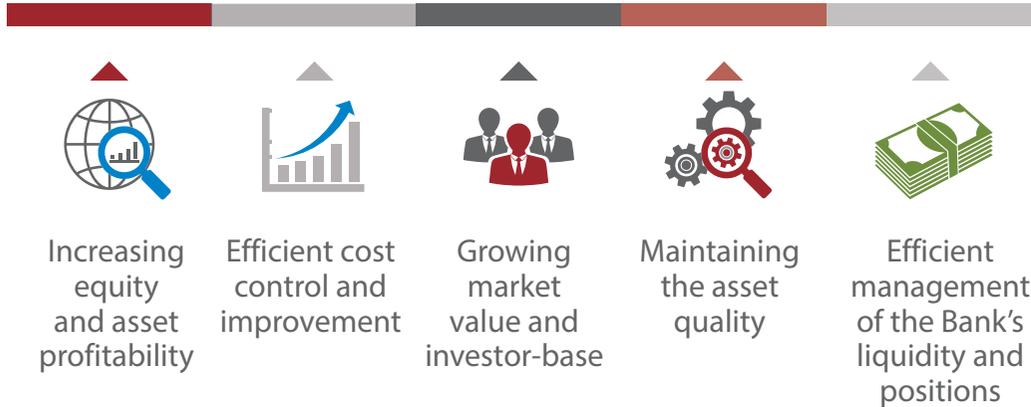
Importance to TSKB



High

FINANCIAL PERFORMANCE

TSKB's sustainable profitability and growth targets:



-  **A key player among development and investment banks**

Total asset size of TSKB reached 20.7 billion TL as of 2015, with a 32% pick up compared to the previous year. In terms of asset size, the Bank ranked as second largest bank in the development and investment banking sector.
-  **Strong loan book that fuels the real economy**

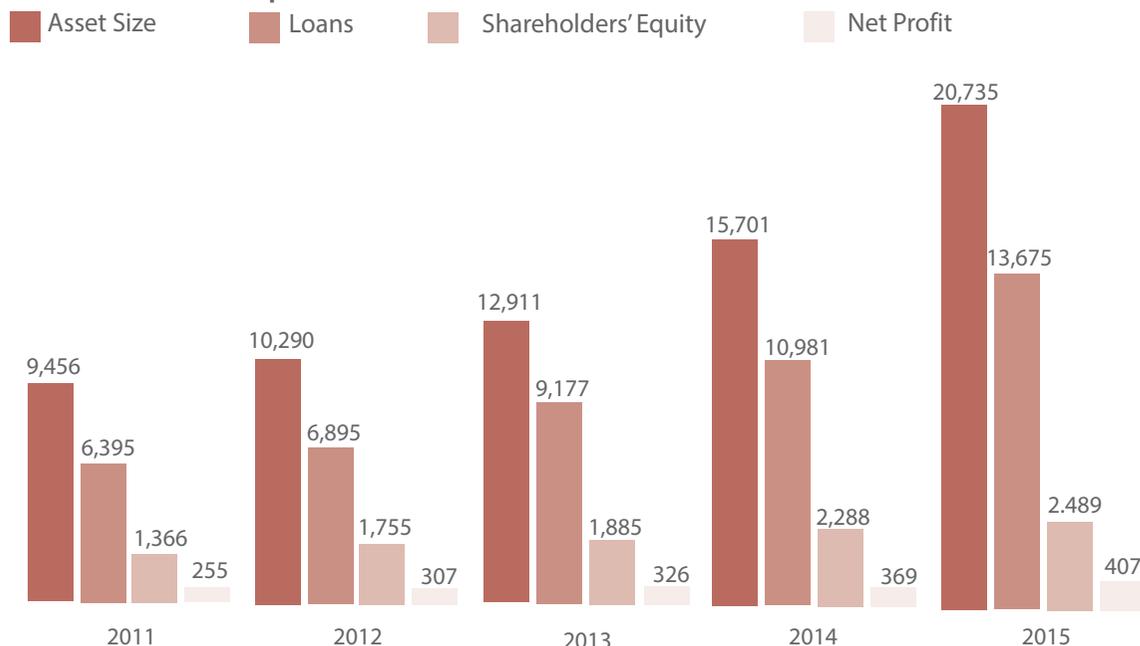
TSKB's loan portfolio which is quite robust grew by 24.5% in TL terms and 5% in FX-adjusted terms. Thanks to its FX-loan growth which was in line with the banking sector, the total loan book size of TSKB reached 13.7 billion TL. Consequently, TSKB maintained its 45% market share among the development and investment banks regarding the long term FX-loans.
-  **The asset quality which sustains TSKB's growth targets**

With its sound capital structure, TSKB continues to bolster its stakeholders' trust. Having recorded an NPL ratio of 0.4% as of 2015 year-end, the Bank maintains its NPL ratio quite below the banking sector's.
-  **Sustainable growth of net profit**

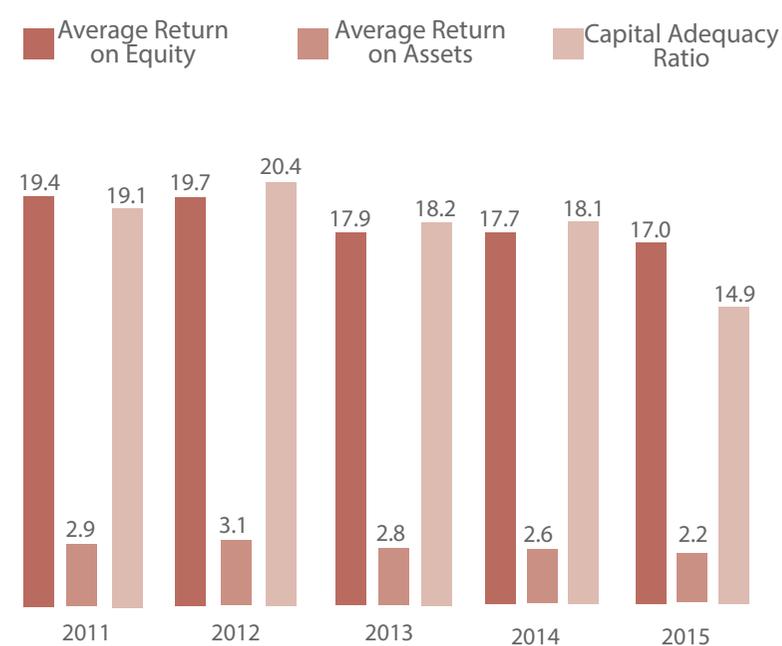
TSKB, which shows a sustainable financial performance, generated a net profit of 406.9 million TL with an 10.2% annual increase as of 2015 year-end. The Bank delivered a ROE of 17% and ROA of 2.2%.

FINANCIAL INDICATORS

Main financial parameters (TL million)



Main ratios (%)



How did we share the value* that we created in 2013 and 2014, and with whom? (TL)

	2015
Gross profit	508,455,560
Tax	101,610,408
Cash dividends distributed to shareholders and Board of Directors	52,501,546
Dividends distributed to employees	9,468,693
Undistributed profit (**)	344,874,913
Employee termination benefits	823,710
Personnel expenses	62,492,062
Total operating expenses	38,143,000

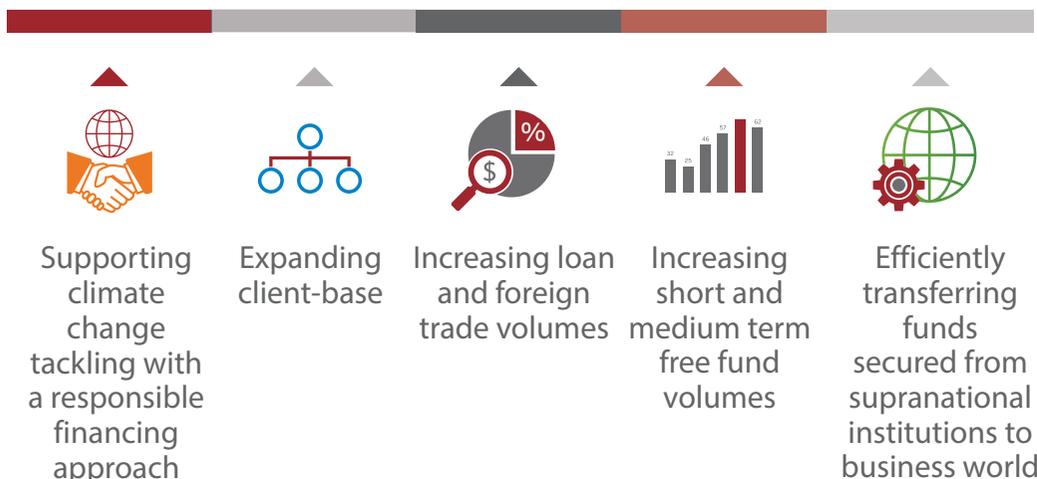
*Gross profit is deemed to be the value created by TSKB as a result of banking services cycle.

**In 2015 TL 300 million were distributed as bonuses and TL 44,874,913 were set aside as reserves.

The above figures were received from TSKB's solo financials and profit distribution statements as of December 31st, 2015.

SUPPORT TO SUSTAINABLE DEVELOPMENT

TSKB's targets to support sustainable development:



○ With proactive business strategies, TSKB constantly improves its level of support to sustainable development.

- Weight of loans provided to investments with the theme of sustainability in the Bank's total loan portfolio excluding the finance sector reached 50% as of the end of 2015.
- 133 clean energy projects with total of 4,177 MW installed capacity, corresponding to approximately 13% of Turkey's renewable energy capacity, were financed.
- The energy saved through more than 100 energy and resource efficiency projects financed by TSKB is the equivalent of yearlong heating of a city of 1.5 million people.
- With all these renewable energy, energy efficiency and resource efficiency investments, Turkey's annual carbon emissions have been reduced by 8.3 million tons.
- TSKB focuses on investments in areas such as resource efficiency including energy efficiency, renewable energy, logistics, infrastructure and Public-Private Partnership Projects (PPP).
- In addition to providing financial support for Turkish private sector's transition to low-carbon and high-efficient production economy, TSKB offers companies consultancy services in these fields.

○ As a requirement of its growth strategy, TSKB deepens its relationships with current clientèle while aiming to gain new clients from various business lines. In this context, the following projects and sectors are on TSKB's agenda going forward:

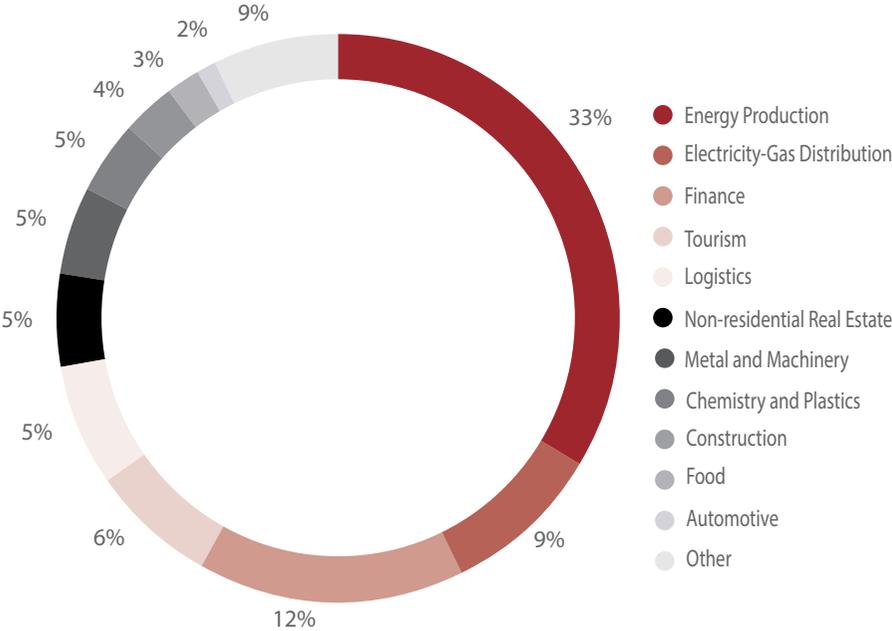
- Public-Private Partnership Projects (PPP), mainly in the fields of health and education
- Renewable energy projects, in particular solar, wind and geothermal energy projects
- Energy and resource efficiency projects
- SME loans
- Environmental projects
- Acquisition of publicly held electricity generation plants and other assets under the scope of privatization and investments related to these privatizations.

Planning to place greater emphasis on investment loans in the near future, TSKB aims to grow its loan portfolio as well as maintaining its strong asset quality while supporting Turkey's economic development.

LOAN INDICATORS



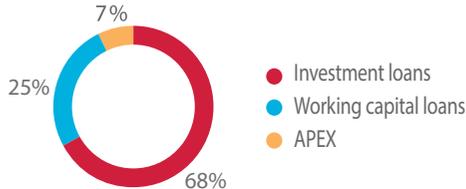
Sectoral Diversity of Loan Portfolio



A gradual decrease is expected in the share of energy production due to Bank's focus with respect to renewable energy projects shifting to wind and solar power projects.
Finance sector loans mainly consist of APEX loans.

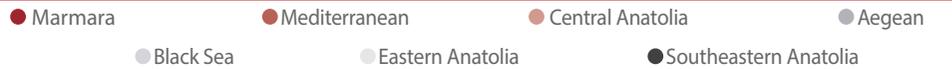
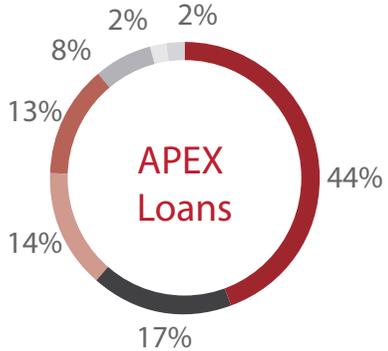


Most important business lines:
Corporate Lending
Project Finance



REGIONAL DISTRIBUTION OF LOANS (FACILITATION-LAST 5 YEARS)

As of the end of 2015...



SUSTAINABILITY FINANCE

TSKB believes in the transformative power of the financial sector in tackling climate change. Sustainability financing in TSKB focuses on following fields:

1. Renewable Energy
2. Energy and Resource Efficiency
3. Sustainable Tourism
4. APEX Loans

TSKB supports transition to a low-carbon economy by financing such projects. It also contributes to increasing energy efficiency and reducing our foreign dependency via efficiency programs in Turkey.

Thus, TSKB focuses on reduction and compliance investments in terms of climate change. TSKB mainly focuses on reduction, but it plans to increase its compliance activities in the forthcoming years.

TSKB believes that collaboration is important for fighting climate change. As the only Turkish member of the European Long-Term Investors Association, TSKB signed ELTI's declaration to support transition to a low-carbon economy. TSKB also supports principles created by IDFC to popularize efforts on the climate change among financial institutions. A detailed review of TSKB's operations is available in the page titled [Sustainability Perspective - COP21](#).

Climate Change Mitigation refers to efforts to reduce or prevent emission of greenhouse gases. <http://www.unep.org/climatechange/mitigation>

Climate Change Adaptation means anticipating the adverse effects of climate change and taking appropriate action to prevent or minimize the damage they can cause, or taking advantage of opportunities that may arise. http://ec.europa.eu/clima/policies/adaptation/index_en.htm



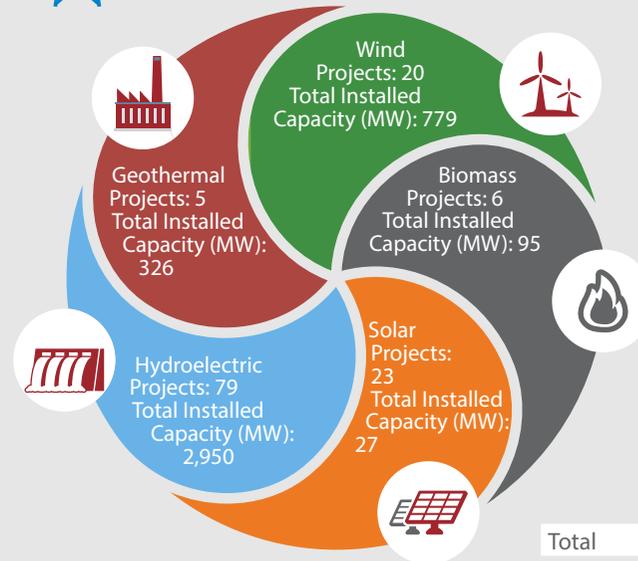
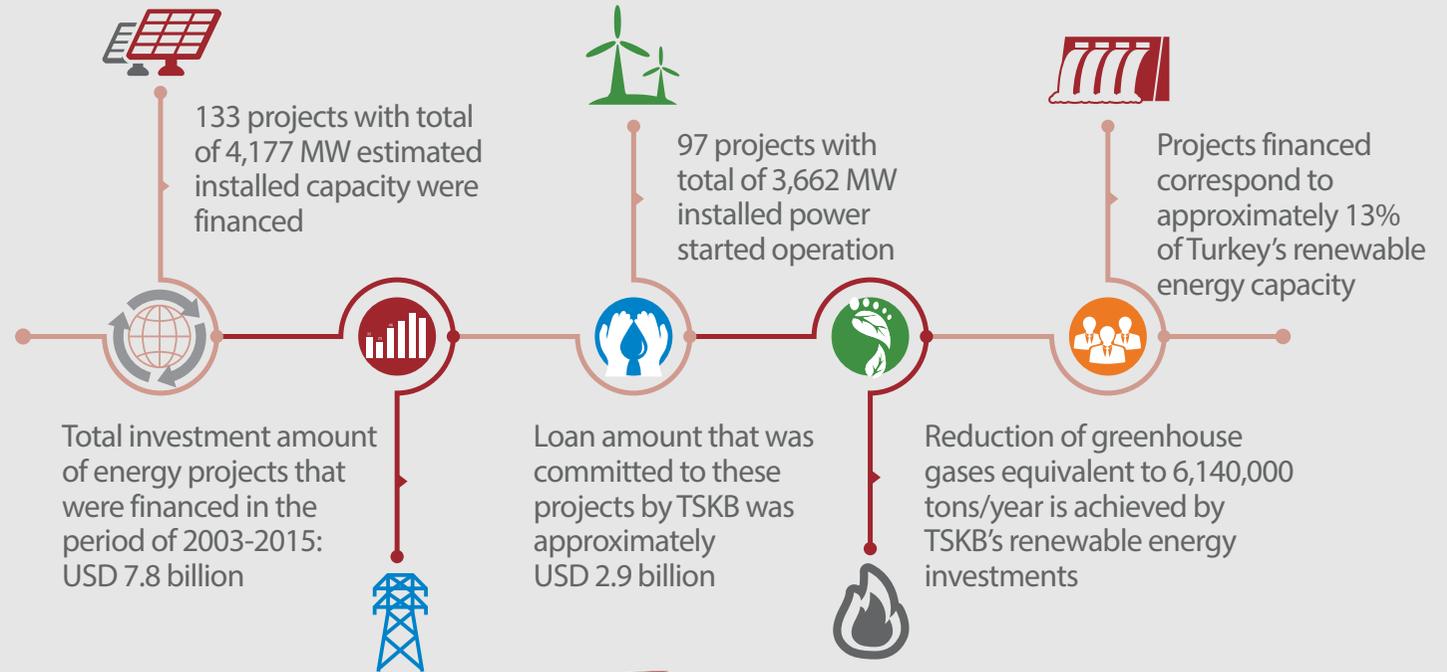
SUSTAINABILITY FINANCE

Renewable Energy

Aiming to be the leading bank of the sector in relation to sustainability and environment, TSKB has been financing renewable energy investments since 2002. The Bank thus plays an important role in tackling climate change in Turkey and Turkey's transition to low-carbon economy while indirectly contributing to the decrease of the Country's dependence on abroad in energy production and reduction of current deficit.

Having a share of 7% the sector's overall energy loans, TSKB funds diversified energy projects ranging from hydroelectric power plants to solar power plants. While solar power, wind power and geothermal power plants in particular receive greater emphasis in 2015 in terms of renewable energy, the total weight of energy sector in TSKB's loan portfolio remains at the same level as of year end. TSKB aims to provide investment financing to solar power plant projects which are expected to increase in the near future in the scope of its sustainable banking mission.

As of the end of 2015...



	Projects	Total Installed Capacity (MW)
Total	133	4,177

SUSTAINABILITY FINANCE

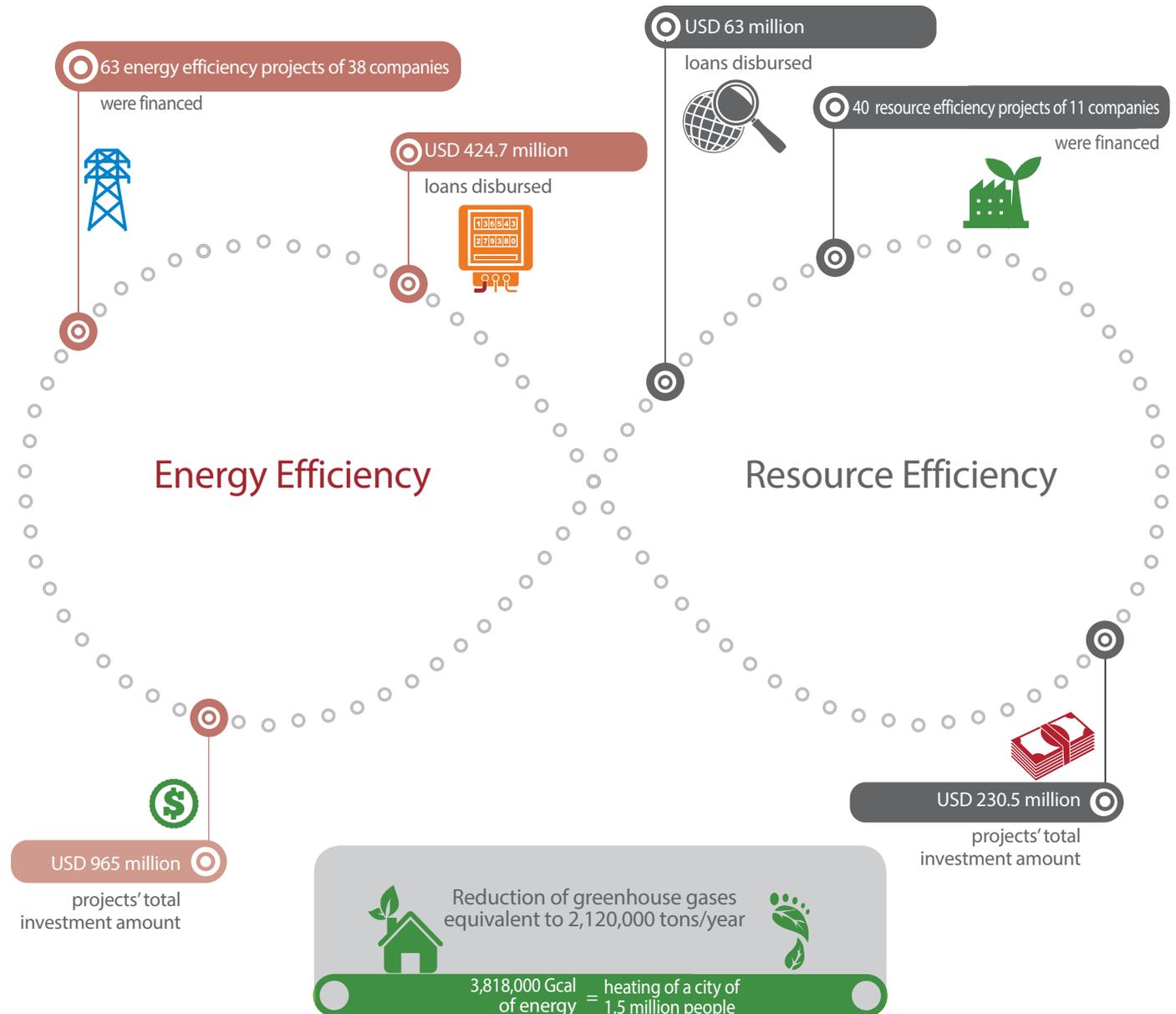
As of the end of 2015...

Energy and Resource Efficiency

Believing in the important role played by efforts in energy and resource efficiency in tackling climate change, TSKB has been supporting the energy efficiency projects of many enterprises that manufacture in an array of industries, with medium and long-term loans.

Share of energy and resource efficiency loans in TSKB's total loan portfolio has reached 10% as of the end of 2015. TSKB aims to finance new energy and resource efficiency projects in the upcoming period.

The Bank so far provided a total of almost USD 500 million financing to more than 100 projects ranging from energy efficiency to raw material efficiency, and production processes efficiency to waste management efficiency.



SUSTAINABILITY FINANCE

Sustainable Tourism

Sharing its experience in the field of sustainable banking with the tourism sector, TSKB supports both the protection of environment and the tourism investments to be sustainable.

Loans offered by TSKB in the field of tourism aren't merely loans for facility investment, facility renovation or expansion investments, but also cover aspects such as energy efficiency, resource efficiency and investments to mitigate the environmental impact that are vital for tackling climate change.

As of the end of 2015...



SUSTAINABILITY FINANCE

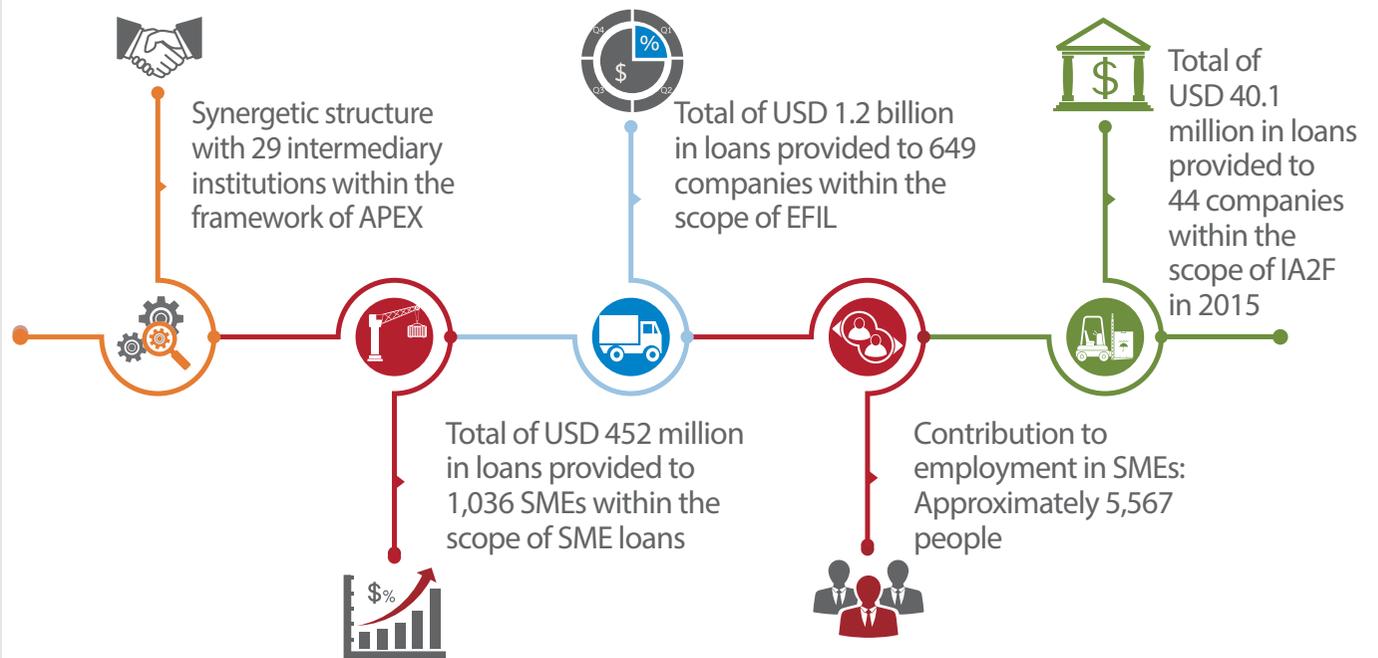
APEX Loans

TSKB applies its sustainable banking principles also to its efforts in the fields of creating new business opportunities, increasing the exports and employment.

As the leader and role-model practitioner of APEX banking in Turkey, TSKB finances SMEs and exporters via banks and financial leasing companies. Being provided under APEX banking, this service is offered in the scope of the World Bank's EFIL (Export Finance Intermediary Loan) programs and APEX loans obtained from EBRD, KfW and EIB.

As of the end of the year, APEX credits represent 7% of TSKB's credit portfolio. Within the scope of APEX, USD 250 million worth of **Innovative Access to Finance Project Loan (IA2F)** was obtained in 2014 from the World Bank and it is being used for financing SMEs and medium scale export companies via participation banks and factoring companies. Thus, TSKB is the first to act as mediator for facilitation of a loan by the World Bank via participation banks and factoring companies in Turkey.

As of the end of 2015...



THEMATIC GLOBAL FUNDS

TSKB enables Turkish investments to benefit from the global funds.

Strong and well established international relations network is one of the distinguishing aspects of TSKB as well as one of the most important privileges it offers to its clients.

Being one of the recognized Turkish banks in international finance markets, TSKB works in close cooperation with development finance institutions including but not limited to the World Bank (IBRD), European Investment Bank (EIB), Council of Europe Development Bank (CEB), KfW Development Bank (KfW), Islamic Development Bank (IDB), Agence Française de Développement (AFD), International Finance Corporation (IFC), Oesterreichische Entwicklungsbank AG (OeEB), Japan Bank for International Cooperation (JBIC) and European Bank for Reconstruction and Development (EBRD).

On the other hand, the relationship management and monitoring undertaken with international banks globally represent another important component of TSKB's international cooperation network.

TSKB secured approximately USD 2.2 billion from international markets via its thematic loan agreements, syndicated loan facilities as well as debut Eurobond issuance in years 2013 and 2014. In year 2015, TSKB successfully rolled the syndicated loan facility by 200% to USD 256 million with the contribution of 17 banks of which 5 of them are the new participants and executed its second eurobond issuance. The funds obtained by TSKB in 2015 from international markets amounted approximately USD 950 million.

TSKB broke new ground in 2014 with its inaugural Eurobond execution. The year after, in 2015 the Bank established its MTN programme amounting USD 750 million and issued its second Eurobond under that programme as the first drawdown. The strong investor appetite for the bond issuance, despite the volatile market conditions, which resulted with a successful closing is an indicator of high credibility of TSKB in the international debt markets.

Willing to continue supporting investments promoting Turkey's sustainable growth with the additional funds secured by the various types of debt capital market products as well as ECA transactions, trade finance loans and syndicated facilities, TSKB will keep working to increase the diversification of its overseas funding base.

TSKB aims to provide financing at favorable conditions to investment projects promoting Turkey's sustainable economic development as well as contributing to improve the competitiveness of private sector companies. With the funding secured from Development Finance and Financial Institutions, TSKB continues to finance renewable energy, environmental protection, sustainable tourism, energy efficiency and resource efficiency projects.

Thematic Loans secured by TSKB in 2015:

01

Japan Bank for International Cooperation (JBIC)

USD 150 million – JBIC GREEN Untied Loan to TSKB (Renewable Energy and Energy Efficiency Loan to reduce GHG emissions in Turkey)



02

European Investment Bank (EIB)

USD 109 million – TSKB Loan III for "SMEs, Midcaps and Innovation" in Turkey/A



03

International Finance Corporation (IFC)

USD 75 million – IFC Climate Smart Loan (Renewable Energy, Resource and Energy Efficiency Loan)



CORPORATE GOVERNANCE

Corporate governance and full conformance to laws constitutes power source of sustainable economic performance, framework of ethical and honest banking, and the primary tool for balancing and maintaining stakeholders' interest.

TSKB adopts the corporate objective of providing banking services with a management approach that tends to its all stakeholders' expectations and provides to them the highest possible benefit, and to constantly develop its prestige in the market and brand power.

TSKB believes that adhering to all ethical values in addition to conforming to laws and legislation is necessary and contribution to society, environment and social life is essential in order to achieve this objective.

Equal treatment of all stakeholders, protecting their rights, sharing accurate, open and comparable information with public and fair use of their authorities by the senior management are prioritized by TSKB.

Board of Directors, CEO, senior management team and committees constitute TSKB's company governance structure. The Bank also strives to provide structures where all stakeholders, especially employees and shareholders, have the ability to participate in management.

Detailed information pertaining to TSKB's Corporate Governance, Board of Directors, senior management, and committees can be found on pages 50-65 of 2015 Annual Report published at http://www.tskb.com.tr/i/content/1609_1_TSKB_EN_2015.pdf.

TSKB believes that adopting the basic principles and becoming fair, transparent, responsible and accountable are highly important for the development of both national and international capital markets, and also in terms of the interests of the bank and all stakeholders.

TSKB has clearly defined policies, procedures, risk management principles and systems for business lines, services and products. With the information technologies infrastructure it has, TSKB ensures that policies, procedures and systems are rapidly and efficiently internalized in the service cycle. Information technology infrastructure further allows that all management reporting functions can be carried out in the most efficient way, helping internal and external audit functions can be performed without omission.



CORPORATE GOVERNANCE

Since the day it was included in BIST Corporate Governance Index in 2009, TSKB maintains its position among the companies with highest corporate governance rating of Turkey. On 20 October 2015, TSKB's corporate governance rating was increased to 9.52/10. It was granted the "2nd Highest Corporate Governance Score" award by the Corporate Governance Association of Turkey.

Sub Categories	Weight (%)	2015
Shareholders	25	9.49
Public Disclosure and Transparency	25	9.65
Stakeholders	15	9.85
Board of Directors	35	9.31
Total	100	9.52

Report authored by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. in relation to corporate governance rating can be found at <http://www.tskb.com.tr/en/investor-relations/corporate-governance/corporate-governance-rating-report>.

TSKB Corporate Governance Principles Compliance Report is on pages 56-65 of 2015 Annual Report, published at the address of http://www.tskb.com.tr/i/content/1609_1_TSKB_EN_2015.pdf.

Sustainable

Responsible

Fair

Transparent

Accountable

Another star to our corporate governance understanding...

We are proud to be "The Company with the Second Highest Corporate Governance Rating Score in BIST Corporate Governance Index".

CORPORATE GOVERNANCE

Risk Management



TSKB considers risk management to be one of the fundamental components of added value cycle towards sustainable banking and development targets. Structured in line with best practices and legal arrangements of international arena, TSKB's risk management process serves in creating a common risk culture throughout the organization. Risks encountered by the Bank are defined in a way that conforms with international arrangements and measuring, analysis, monitoring and reporting activities are carried out in this framework while continuous and systematic input is provided to the Bank management's decision making process.

Risk Management team carry out their activities as a unit that is directly connected with the Board of Directors and the Audit Committee through the Executive Vice President who is responsible for the Internal Systems of the Bank. The team monitors and measures the risk level that the Bank is exposed to in the scope of risk management strategies that are vital for sustainable performance, in adherence to international standards and as per the formal risk policies. Whilst TSKB continues to measure and monitor credit risk and market risk, which are the major risks of the Bank, legally according to the Standard Approach legislation, it also measures and reports with the use of its own advanced software and internal models. At TSKB, risks are monitored not only statically but also through dynamic analyses. For this, short and mid-term projections based on various stress and base scenarios are made. Furthermore, the Bank uses software and analyses that incorporate advanced measurement methodologies for the purpose of effectively managing its assets and liabilities.

Preventions of Laundering Criminal Income and Financing of Terrorism



In Turkey , the fight against "laundering proceeds of crime" and "financing of terrorism" is essentially conducted by MASAK (Financial Crimes Investigation Board), which is directly attached to Ministry of Finance. The legal framework of this fight consists of "Law No. 5549 on Prevention of Laundering Proceeds of Crime " that was adopted in 2006 and "Law No. 6415 on the Prevention of the Financing of Terrorism" that was adopted in 2013. A set of regulations published in 2008 required banks (Development and Investment Banks excluded) to develop programs to bring themselves into compliance with efforts to prevent money-laundering through the Turkish banking system.

To ensure compliance with all related laws and regulations, TSKB Internal Control Department carries out regular control activities over customer accounts and transactions on daily, monthly and quarterly basis and any findings/potential risks are regularly reported to Board of Directors. TSKB adopts the principle of full compliance to Turkey's governing legislation about "prevention of laundering proceeds of crime" and "financing of terrorism" and strives to ensure that all necessary control and warning mechanisms are in place and integrated to its business processes.

Entirety of TSKB's Anti-Bribery and Anti-Corruption Policy can be found at the following link: http://www.tskb.com.tr/i/assets/document/pdf/TSKB_anti_bribery_and_anti_corruption_policy.pdf.

SHARING EXPERIENCE WITH INITIATIVES

TSKB carries out collaborations with many national and international organizations, believing in the importance of sharing experience for a sustainable future.

- First Turkish bank to become a UNEP FI member  ○
- Participation to Carbon Disclosure Project since the year it was established  ○
- One of first two financial institutions from Turkey that signed Water Disclosure Project  ○
- First Turkish development and investment bank that subscribed to United Nations "Global Compact"  ○
- One of the two institutions in finance sector in Global Compact Turkey Network Board of Directors  ○
- Signatory of WEPs (Women's Empowerment Principles)  ○
- Chair of Finance Sector's Role in Sustainable Growth Task Group established at the Banks Association of Turkey (TBB) since 2009  ○

INTERNATIONAL	NATIONAL
CDP - Carbon Disclosure Project ○	TBB - The Banks Association of Turkey
WDP - Water Disclosure Project ○	TKYD - Corporate Governance Association of Turkey
UN Declaration of Human Rights ○	TSPAKB - Turkish Capital Markets Association
GRI - The Global Reporting Initiative ○	DEIK - Foreign Economic Relations Board
UNEP FI - UN Environment Program Finance Initiative ○	TUSIAD - Turkish Industry and Business Association
United Nations Global Compact ○	Borsa Istanbul Sustainability Index Advisory Committee
ADFIMI - Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank ○	GIF - Global Relations Forum
IIF - International Institute of Finance ○	SKD - Business Council for Sustainable Development
ICC - International Chamber of Commerce ○	İKSV - Istanbul Foundation for Culture and Arts
LTIC - Long-Term Investors Club ○	Money Managers Association
IDFC - International Development Finance Club ○	Risk Managers Association
ELTI - European Long-Term Investors Association ○	

TSKB supports its activities in associations subscribed with various task groups. In this context, the Bank participates in special task groups of associations such as DEIK, TUSIAD, TBB and SKD.

SUSTAINABILITY MANAGEMENT AT TSKB

Sustainability Management at TSKB focuses on 6 objectives:

Assessing and managing systematically the environmental risks originating from the activity of loan facilitation



Control and systematic management of internal environmental impacts, such as electricity, water, natural gas consumption, paper consumption and CO₂ emissions, originating from TSKB's operational services



Developing TSKB's products and services from a sustainable banking perspective and financing renewable energy, energy efficiency and environment investments



Continuously informing all TSKB employees and stakeholders about sustainability issues, and increasing their sensitivity to these issues by ensuring their active participation in processes



Preparing sustainability reports periodically in Global Reporting Initiative (GRI) standards to be shared with the Bank's stakeholders and supporting stakeholders for good sustainability practices



Periodically calculating the Bank's carbon footprint as a part of ISO 14064 requirements and pursuing the banking activities with zero carbon principles by offsetting its carbon footprint



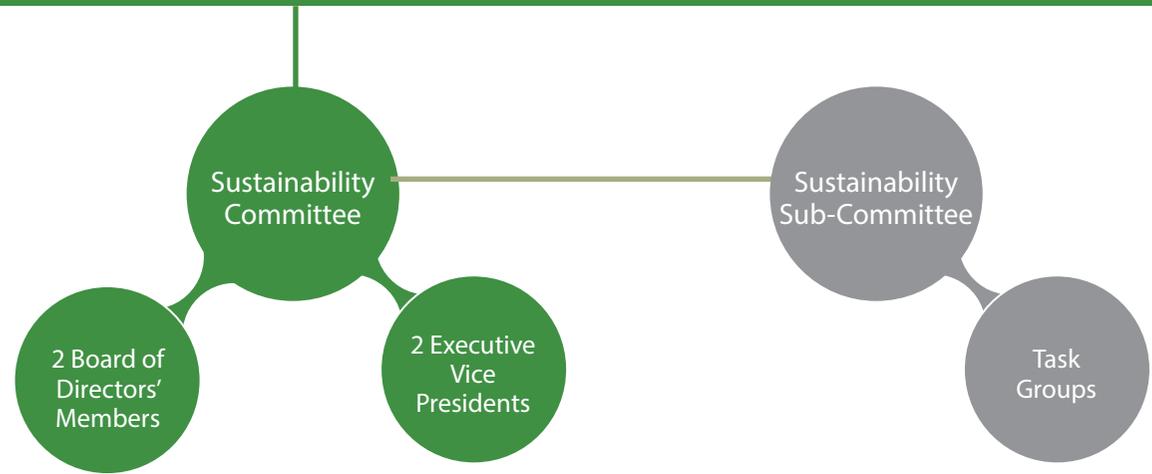
As the leader of sustainable banking in Turkey, TSKB aims to support Turkey's sustainable economic development and growth by defining the concept of sustainability in economical, environmental and social axes. TSKB adopts the following policies as fundamental principles that shape its sustainability efforts:

- Sustainability Policy
- Environmental and Social Impact Policy
- Occupational Health and Safety Policy
- Human Rights Policy
- Sustainable Procurements Management Policy
- Anti-Bribery and Anti-Corruption Policy

Detailed information pertaining to this issue is shared at the following web link: <http://www.tskb.com.tr/en/sustainable-banking/tskb-sustainability-management-organization/tskb-sustainability-management-system>

SUSTAINABILITY COMMITTEE

Having launched its first efforts in the field of sustainability in 2005, TSKB established the same year its Environmental Management System, which was a very important step in the finance sector. Further developing this system in 2012, the Bank took it to next level as its Sustainability Management System. TSKB later established Sustainability Committee in order to address the issue with broader participation within the Bank in 2015.



Sustainability Committee

- The Committee consists of two Board Members and two Executive Vice Presidents elected by the Board of Directors.
- Two Executive Vice Presidents in Sustainability Committee also serve as "Coordination Officers".
- The Committee has a sub-committee that is comprised of different department representatives.

Responsibilities:

- Bank's sustainability strategy, vision and action plans
- Following international developments, public regulations and trends
- Providing recommendations on new business opportunities and social responsibility projects
- Expanding Bank's sustainability network

Sustainability Sub-Committee

Comprised of managers from various departments of TSKB, the sub-committee reports to TSKB's Sustainability Committee.

Responsibilities:

- Management of sustainability activities
- Internalizing and capacity development of sustainability
- Monitoring of national and international legislation
- Integration of sustainability in banking products and processes
- Management of internal/external environmental impacts and social responsibility
- Communication of sustainability
- Sustainability measurements and reporting

MANAGEMENT OF LOANS' ENVIRONMENTAL AND SOCIAL IMPACTS

Climate change, which is one of the most important agenda items throughout the world, is in first place in TSKB's Sustainability Policy. TSKB supports investment projects with products that contribute to prevention of climate change, while adopting an approach that tends to environmental and social issues and mitigates the impacts at their origins. TSKB defines the sole objective for a habitable future as a "low carbon economy".

Paying attention to provide loans to investments that'll support Turkey's economic and social development, TSKB adopts environmental conservation, tackling climate change and social development as its fundamental objectives.

TSKB provides guidance to its clientele in relation to defining, accurately managing and mitigating environmental and social impacts of the projects to be financed.

Environmental and Social Impact Policy

TSKB considers measuring and managing the indirect risk originating from its service activities to be the most difficult and most important aspect for a financial institution in relation to management of environmental and social risk. Environmental and social impacts that may originate from TSKB's activities are assessed and managed in the scope of Environmental and Social Impact Policy: <http://www.tskb.com.tr/i/assets/document/pdf/TSKB-ENVIRONMENTAL-AND-SOCIAL-IMPACT-POLICY.pdf>

Projects and activities that are not to be financed by TSKB are likewise discussed in the aforementioned policy. [Detailed information on this issue can be found at the following web link: http://www.tskb.com.tr/i/assets/document/pdf/TSKB-List-of-activities-that-are-not-to-be-financed.pdf](http://www.tskb.com.tr/i/assets/document/pdf/TSKB-List-of-activities-that-are-not-to-be-financed.pdf)



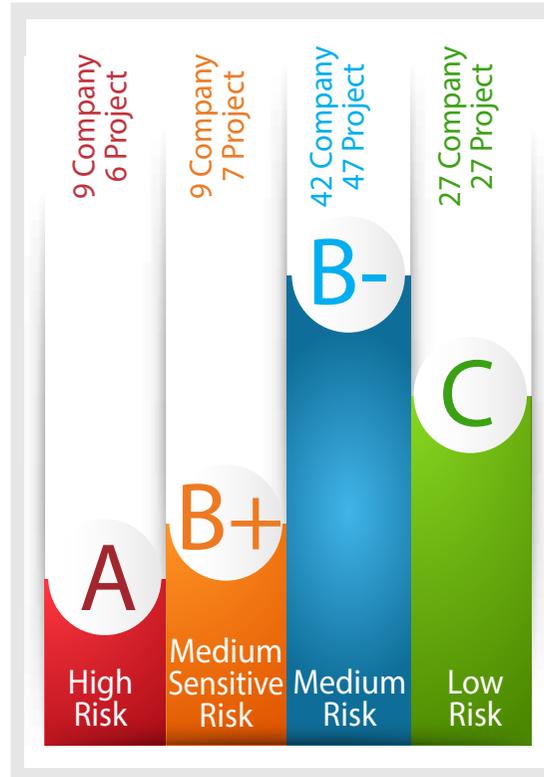
TSKB measures the environmental and social risks of all investment projects that it's been assessing with ERET since 2005.

ERET is created on a voluntary basis and offers a unique piece of software. TSKB's strong banking discipline forms the foundation of ERET.

In 2015, the approach to the social subjects in ERET is enhanced by increasing the number of the total criteria from 35 to 45. Therefore the weight of the social subjects like employee rights, occupational health and safety, public disclosure and land acquisition by force is increased.

Project evaluation is made in accordance with 45x5 criteria. ERET identifies technical, financial and legal obligations that might arise from current and potential environmental/social impacts of investment project subject to evaluation and those of the other activities of the project owner. Results are considered in project assessment, financing and investment monitoring processes.

In cases where environmental and social risks are considered to be high, how the environmental and social impacts can be mitigated and monitored is structured with a plan that is prepared jointly with the client.



Information pertaining to projects analyzed by TSKB using ERET model since 2007 can be found here: <http://www.tskb.com.tr/en/sustainable-banking/sustainability-finance/environmental-risk-evaluation>

MANAGEMENT OF INTERNAL ENVIRONMENTAL IMPACTS

TSKB, Turkey's first carbon-neutral bank, has been measuring the environmental impacts of its internal banking activities and defining strategies in order to mitigate them since 2005. In this context, electricity, water, fuel, paper and other waste materials generated at the Bank's service buildings are periodically measured.

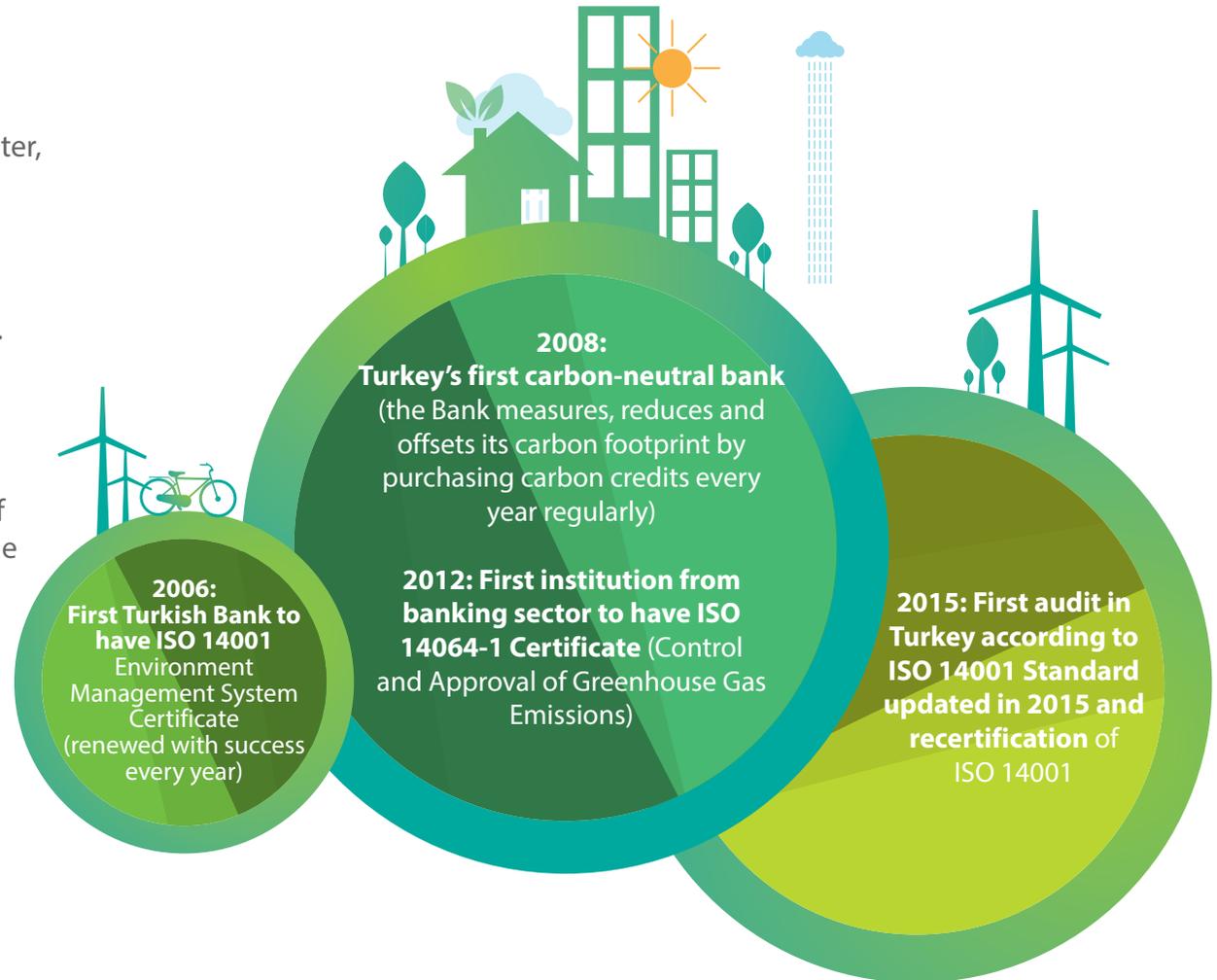
As a volunteer party of **Carbon Disclosure Project** since 2010, TSKB continues to provide periodical information. (For detailed information regarding Carbon Disclosure Project: <http://cdpturkey.sabanciuniv.edu>)

What does "carbon footprint" mean for a bank?

Emissions of greenhouse gases due to transportation of employees and their heating, cooling, illumination in the buildings all together constitute the carbon footprint.

Carbon Emissions (tonCO ₂ e)	2011	2012	2013	2014	2015
Scope-1	735	600	413	440	807
Scope-2	0	0	0	0	0
Scope-3	382	350	352	373	442
Total	1,117	950	765	813	1,249*

*In 2015, extra 423 tons of CO₂ emissions in Scope-1 have occurred due to the one-time leakage of 231.4 kg refrigerant gas, caused by a large-scale maintenance necessity on our cooling units which were installed in 1988. Greenhouse gas emissions in Scope-3 have also increased due to the increase in the number of flights for business, caused by the increase in the business volume of the Bank.



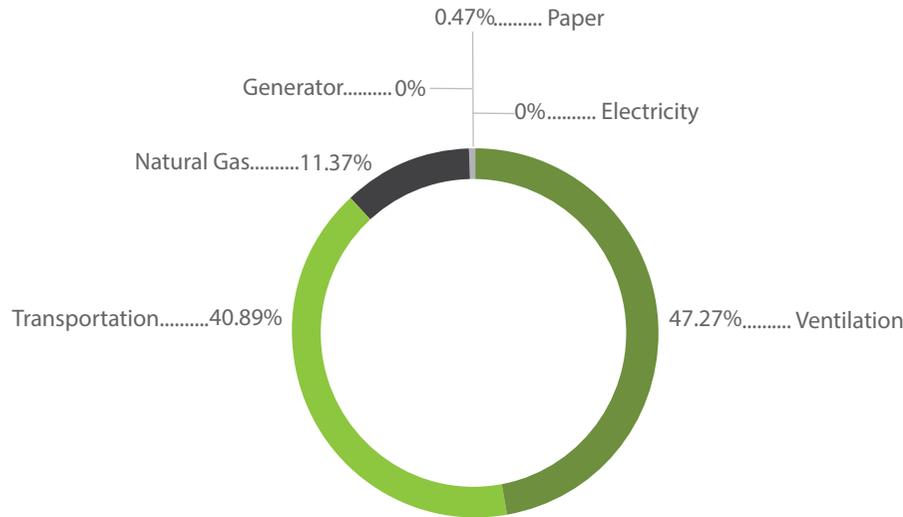
ISO 14001 Standard has been revised in 2015 and TSKB had a successful audit following the completion of its Sustainability Management System revisions accordingly. **By completing the first audit according to ISO 14001:2015 Standard in Turkey in December 2015, TSKB has been awarded Turkey's first ISO 14001:2015 certificate.**

INTERNAL ENVIRONMENTAL IMPACTS INDICATORS

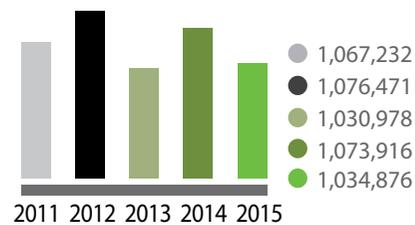
TSKB'S ENVIRONMENTAL INDICATORS 2015

Electricity Consumption	
Electricity Consumption (kWh)	1,034,876
Electricity Consumption (Mj)	3,725,554
Electricity Consumption / m ²	60
Electricity Consumption / person	3,184.23
Natural Gas Consumption	
Natural Gas Consumption (m ³)	71,299
Natural Gas Consumption / m ²	4
Natural Gas Consumption / person	219
Water Consumption	
Water Consumption (m ³)	8,534
Water Consumption / m ²	0.50
Water Consumption / person	26
Paper Consumption	
Paper Consumption (kg)	5,467
Paper Consumption / person	17
Waste Paper Consumption	
Waste Paper Consumption (m ³)	15,450
Waste Paper Consumption / m ²	48
CO ₂ Emissions	
CO ₂ Emissions (kg)	1,248,201
CO ₂ Emissions / profit	0.0090
CO ₂ Emissions / person	3,846.54
Service Building Area (m ²)	17,236
Number of employees (average)	325
Income (US Dollars)	138,021,000

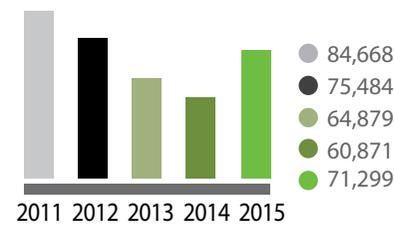
Carbon Footprint (%) 2015



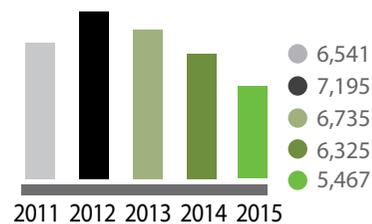
Electricity Consumption (kWh)



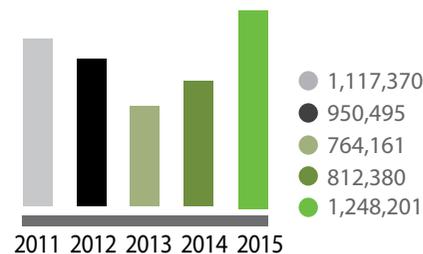
Natural Gas Consumption (m³)



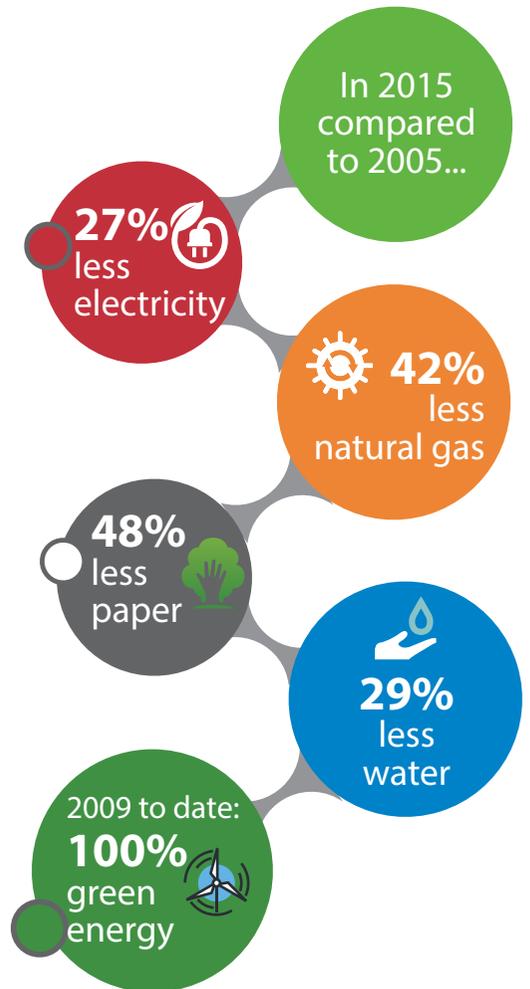
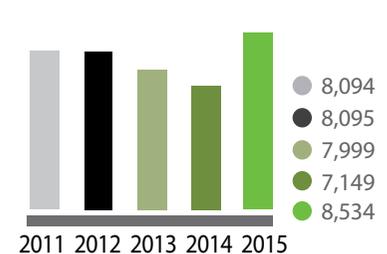
Paper Consumption (kg)



CO₂ Emissions (kg)



Water Consumption (m³)



HUMAN RESOURCES

TSKB sees its highly competent and expert human resources as its most important corporate power. TSKB provides a modern working environment with full respect to human rights while encouraging equal-opportunity participation. In all of TSKB's human resources and talent management applications, the sustainability of training and development, mechanisms encouraging initiative-taking and a workplace that evaluates the performance in the best possible way and rewards success, can be considered as tangible indicators of success.

• A workplace with full respect for human rights

TSKB prioritizes the sustainability of its human resources, focuses on sustaining its modern workplace where participation is encouraged and human rights are fully respected.

• Recruitment

TSKB, has taken the approach of "Creating a TSKB family" and training its own managers itself, employs recent graduates with management potential through recruitment programs specifically designed for the bank's dynamics.

• Training and development programs

TSKB always invests in its human resources - its greatest strength - with personalized assessment and development programs.

• Effective performance management

Taking into account that the most important goal in developing human resources is increasing efficiency, objective evaluations of all employees are conducted through the Performance Management System in order to achieve this. Various training programs are provided to employees for their continuous development alongside these evaluations.

• Career management

At TSKB, career management is applied effectively. Employees who have the knowledge, experience and capability required for a position are promoted and further progress in their careers. The bank's highly capable and expert team plays an important role in sustaining corporate performance.

• Compensation and benefits

TSKB employs a market-sensitive compensation policy that is coordinated with the performance evaluation system.

• Strong employer brand and internal communication

TSKB strives to create a dynamic and highly motivated team with a sense of belonging and carries out strong employer branding practices. These practices include many internal communication projects for its employees. Structured collaborations with universities aim to increase TSKB's recognition among recent graduates and make the bank a preferred organization.

TSKB's Human Rights Policy

Aiming to fully comply with UN Declaration of Human Rights, UN Global Principles Act and Turkey's legislation that arranges human rights and business life in Turkey, TSKB is against forced labor and child labor in Turkey and worldwide and supports the initiatives towards prevention of such illegal practices.

Never discriminating among its employees, all assessments related to employees are free from all prejudice or discrimination (of gender, mental / physical handicap, age, race, religion, language, sect, belief, cultural or social class). TSKB takes measures against the types of conduct that might cause ill treatment or abuse, while allowing its employees to share their complaints anonymously.

The employees' occupational and personal development is continuously supported through feedback and trainings in a way that'll encourage their dedication to the organization and participation and creativity of the employees are encouraged via transparent communication channels.

Complete text of TSKB's Human Rights Policy can be found at the following web link: <http://www.tskb.com.tr/i/assets/document/pdf/TSKB-Human-Rights-Policy.pdf>

Supporting the women's participation in the economy: WEP's

56% of TSKB's banking employees are women and this fact is one of the most tangible indicators of TSKB's human rights policy that is based on diversity and equal opportunity. With 55% women in management staff, TSKB stands out and acts as a role model in the sector in terms of women's participation in economy as well.

Believing in the great importance of women's active participation in the economy, TSKB signed "Women's Empowerment Principles" (WEP's), most important international initiative for this purpose. Thus, TSKB took its support to gender and opportunity equality to an international level.

Women's Empowerment Principles, which is the most important international initiative, established by partnership of the United Nations Entity for Gender Equality and the Empowerment of Women in the Society (UN Women) and UN Global Compact, aims to empower women in all areas, especially in health, safety, education and development.

HUMAN RESOURCES INDICATORS

Gender, Education and Age Distribution (Banking Employees)

Education			Total
PhD		3	3
MSc/MA	50	43	93
University	106	83	189
College	6		6
High School	2	1	3
Total	164	130	294

Age			Total
21-30	43	35	78
31-40	77	61	138
41-50	42	25	67
51-	2	9	11
Total	164	130	294

Total			Total
Number at The End of Year	164	130	294
Average Number	162	130	292

Gender Distribution in Top Management and Committees

		
Board of Directors		
Chairman		1
Vice Chairman		1
Member	2	6
Audit Committee		
Member		2
Sustainability Committee		
Member	2	2
Sustainability Sub-Committee		
Member	8	6
Corporate Governance Committee		
Member		3
Senior Management		
Chief Executive Officer		1
Executive Vice President	3	5
Secretary General		1

Of the Bank's employees, 56% are  and 44% are 
 97% of the Bank's employees are university graduates 
 33% of the Bank's employees have MSc/MA or higher academic degrees 

Average employee age is 35, average seniority 7.6 years
 Average age of recruits of last year is 29
 87% of employees speak English

HUMAN RESOURCES INDICATORS

Service group distribution of employees (end of 2015):



Regional distribution of TSKB's Banking employees (end of 2015):



Gender distribution of recruits in the reporting period:



Gender distribution of employees who were recruited and those who have quit within the past year:



Age group and regional distribution of new recruits in the reporting period:

Age	Count
21-30	22
31-40	10
41-50	1
51-	0
Total	33



Gender and cause of departure distribution of resignees in the reporting period:

	2015	2015
	Male	Female
Resignation	11	10
Retirement	6	2
Military Obligation	1	-
Abandonment	-	2
Subsidiary*	-	1
Total	18	15

* Appointments within TSKB's subsidiaries.

Age group and regional distribution of resignees in the reporting period:

Age	Count
21-30	12
31-40	9
41-50	8
51-	4
Total	33



Gender distribution of those who used maternity leave:



*Parental leave

Gender distribution of those employees who returned to work following a maternity leave:



*Parental leave

There are no employees resigned within 12 months of returning to work following maternity leave.

Employees who used unpaid leave following their return from maternity leave, took 1008 business days.

*Only one of the banking employees work half-time on contractual basis.

INVESTMENT IN HUMAN RESOURCES - TRAINING AND DEVELOPMENT

Training and Development

TSKB organizes a range of training and development programs to support its employees' technical competencies and personal development. Training and development programs are personalized and depend on development fields for the employees.

For TSKB, raising employees' awareness of the topics of environmental issues and sustainability is one of the founding elements of its training activities.

TSKB training programs are designed to increase performance levels to perfection, both throughout the bank as a whole and on an individual level.

The Purpose of Training Activities:

- To support TSKB's business strategies with professional and personal training
- To encourage initiative-taking
- To take corporate efficiency at the highest level
- To raise employee satisfaction

Training Programs:

- Management Trainee (MT) Program
- Development Workshop - Managerial Development Program
- Competency Development Training
- Coaching Model
- Sustainability Management System Training
- Orientation Program
- Technical Training Programs
- Individual training - domestic and foreign
- Seminars open to all of the bank's employees

TSKB Management Trainee (MT) Program

TSKB is working towards its goal of training its own managers; the bank conducts a Management Trainee (MT) Program every summer to train the experts and managers of the future. TSKB intensively prepares its management trainees with training programs specifically designed for their future positions and duties.



Development Workshop - Managerial Development Program:

The Development Workshop program, designed to adapt to TSKB competencies, focuses on personal and managerial development. The workshop program initially begins with the development center and then takes shape with the determination of individual needs. The process is supported by in-class training, group exercises, projects, articles, books and various other activities throughout the workshop. The long-term training program spread over almost two years invests in development of managers.



Competency Development Training:

The "Training Catalog" based on TSKB's core competencies is used to support our employees' capabilities, which are open to development. During the performance evaluation meetings where they assess their competencies with their managers, employees get the chance to determine the training areas necessary for their personal development with the Training Catalog.



Coaching Model:

This model is carried out to support the business dealing models of specific departments.



Sustainability Management System Trainings:

Training for all employees:

Occupational Health and Safety Training
First Aid and Ergonomics Training
Sustainability Meetings

New recruit training:

Orientation
On-the-job Training
Sustainability Management System and Emergency Work Sustainability Presentation

Individual training:

Renewal Training for Basic First-Aider Certification
Fire Security Training
Printer User Training
ISO 14001 Environmental Management Systems Internal Auditor Training
Sustainability Management Certification Program

TRAINING AND DEVELOPMENT INDICATORS

Training Lengths per Employee, Gender and Training Categories

Number of Banking Employees	Total Training Hours (Banking Personnel)	Average Training Hours per Employee	Average Training Hours per Female Employee	Average Training Hours per Male Employee	Average Technical Training Hours per Employee	Average Personal Development Training Hours per Employee
294	12,842	44	41	48	29	15

Training Lengths per Employee Categories

Training Hours of Senior Management / Person	Training Hours of Middle Management / Person	Training Hours of Associate Group / Person	Training Hours of Assistant and Supervisor Group / Person
8	39	50	15

INVESTMENT IN HUMAN RESOURCES



Performance Management

The results of Performance Management System are used as input for identifying training needs, career planning, remuneration and reward management.

The TSKB Performance Management System is a competency and goal-based system whose principles involve the following processes:

- Identify and rate employee competencies
- Associate corporate objectives with employee performance
- Conduct personal interviews
- Prepare individual development plans.

Remuneration and Reward Management

TSKB employs a competitive and market-sensitive remuneration policy. Market compensation research is regularly conducted by consultants specialized in such matters are used as input for implementation of this policy. TSKB bases compensation on compatibility with ethical values, internal balances and strategic goals, and is not associated with the bank's short-term performance.

TSKB's compensation policy is structured with the purpose of motivating managers to take more actions to contribute to the bank's long-term performance and to achieve good results on a yearly basis. TSKB places great importance on performance-based compensation.

Criteria Taken into Account for Compensation:

- Work unit properties and workload
- Compensation level of the work units in the market
- Results of the Performance Management System (competencies, goals, experience)
- Geographical/region/country differences
- Long-term business solvency of TSKB



TSKB Income Package:

- Gross monthly compensation
- Dividend payout to employees from the bank's profits once each year
- Premiums rewarding extraordinary successes in the relevant year

Premiums payouts, which have the purpose of positively affecting TSKB's corporate values, are based on objective criteria such as TSKB's performance and individual performances, and take into account the terms of the risks taken by the Bank.

INVESTMENT IN HUMAN RESOURCES

Recruitment with the TSKB Career Workshop Program

TSKB has been conducting the three-day TSKB Career Workshop program annually since 2010 with the aim of providing resources for Management Trainee (MT) recruitment. During the workshop at a hotel near Istanbul, participants (fourth-year university and postgraduate students) receive personal development and outdoor/indoor training alongside the opportunity to work on projects with coaches selected from managerial positions within the bank. The workshop, where the bank is introduced, is an opportunity to get to know the candidates better. During the event, employees who fit with TSKB's profile are included in the Management Trainee (MT) recruitment process.

The fifth TSKB Career Workshop was held between April 16-18 April in Şile, Istanbul with the motto of "Show You're Different". 9 new graduates started their working lives with the Career Workshop during the reporting period.

Strong Employer Brand

Structured collaborations with universities aim to increase the bank's recognition among recently graduated candidates and to make the bank a preferred organization with a strong employer brand:

- TSKB Career Workshop
- Sustainability Workshops
- Career day participation
- Presentations on various banking subjects during classes
- Participation in conferences and seminars

Internal Communication

Exercises and platforms intended to increase the feeling of belonging and motivation of current employees via employee communication activities:



Online Communication Platform

An effective online communication environment is available to all employees in the form of the corporate intranet, e-business flow platform and e-announcement channels. Employees can thus keep themselves informed of all bank developments immediately and can conduct all of their business processes on a modern platform.



Traditional corporate events

TSKB employees have the opportunity to meet at various annual events such as the foundation cocktail, executive meetings and New Year dinners.



Team Games

Employees from all positions are encouraged to participate in the team games of table tennis, rowing and soccer organized by TSKB. TSKB's own employees represent the bank in intercorporate tournaments, increasing team spirit, motivation and efficiency.



Artistic Activities

Employees enjoy a determined quota of tickets during the Istanbul Foundation for Culture and Arts music festival, which is sponsored by TSKB each year.

TSKB employees are also encouraged to enjoy photography, a common corporate hobby. Photograph exhibitions are held in the TSKB Art Corridor and on the corporate intranet site.

8 internal activities took place in 2015, including the foundation cocktails, New Year dinner, Istanbul Culture and Art Foundation (IKSV) concert, Photography Workshop, team games and executives meeting.

OCCUPATIONAL HEALTH AND SAFETY & SUPPLIER RELATIONS

Occupational Health and Safety

TSKB is a corporate citizen which recognizes the importance of its employees' health and safety and which makes such issues integral to its human resources policies and practices.

Safe Working

In both its headquarters buildings in İstanbul and in its branches TSKB is mindful of being in full compliance with all occupational health & safety laws and regulations currently applicable in Turkey. In addition, the bank also abides by a policy that takes into account internationally accepted occupational health & safety practices as well. The bank's physical conditions and technical infrastructure are regularly checked for compliance with occupational health & safety laws and regulations. Current information about activities related to health and safety issues is published on the bank's corporate intranet.

Vision "Zero Accident"

TSKB deems persisting in zero accident approach at the workplace as a permanent corporate objective. Moreover, TSKB cooperates with professionals and organizations specializing in the fields of health and safety in order to ensure health and safety at the workplace without omission.

Full text of TSKB's Occupational Health and Safety Policy can be found at the following web link: <http://www.tskb.com.tr/i/assets/document/pdf/Tskb-Occupational-Health-and-Safety-Policy.pdf>

Supplier Relations

TSKB works with suppliers that comprehend the importance of sustainability and establish their business logic accordingly. TSKB contributes to indirect environmental impact with the approach it adopts in its relations with its suppliers, thereby supporting and ensuring that the sustainability is embraced and implemented by a wider body of stakeholders throughout the business world.

TSKB's sustainability approach reflects on its supply process as preference of products and services whose total cost is determined in line with the environmental, social and economic impacts thereof. The Bank cooperates with suppliers that acts responsibly and in accordance with sustainability in their supply process.

Sustainability Criteria observed in Supplier Relations are as follows:

- As a principle, companies with whom the Bank has a supplier-client relationship must evaluate the environmental impacts, obtain relevant permits and enforce relevant procedures
- In line with a Sustainable Management System, suppliers must perform their obligations in conformance with the environment legislation and international legislations
- Presence of certification such as ISO 14001
- Depending on the type of the service received, cooperation for complying with the Bank's relevant procedures

TSKB structures sustainability in supplier relations in form of contracts signed with its suppliers. In those contracts, suppliers explicitly warrant that they are to enter in cooperation in order to meet TSKB's relevant demands. TSKB defines any violation and negligence of items summarized above as righteous cause for termination of supplier contracts, thereby accentuating the importance of the issue.

Entirety of TSKB's Sustainable Procurement Management Policy can be found at the following web link: <http://www.tskb.com.tr/i/assets/document/pdf/Tskb-Sustainable-Procurements-Management-Policy.pdf>

SOCIAL RESPONSIBILITY

TSKB structures social responsibility projects in the scope of its sustainable banking mission around the theme of raising the awareness of business world and universities towards environmental aspects that constitute risks for the future of our world, including but not limited to climate change, energy and carbon management.

With the social responsibility project "Environment: Our Priority" that has been continued since 2007, TSKB participates effectively in sustainability platforms, developing various events and sponsorships. The project is managed by TSKB for the purpose of promoting and increasing awareness, especially throughout the business world and universities.

TSKB's social responsibility activities can be discussed under five categories:



1



Digital Platforms: cevreciyiz.com & tskbenerjiverimlilik.com

Launched in 2007, cevreciyiz.com was redesigned in June 2014 and is currently Turkey's most comprehensive environment portal that provides reference for many aspects including business world's sustainability efforts, energy efficiency, environment-friendly designs, alternative energy sources and sustainable business ideas. Effectively using the social media for this purpose, cevreciyiz.com's Facebook followers are increasing from 851 (at the end of 2013) to 50.000 (at the end of 2015) and that shows this content has reached more people every day.

As an important platform and reference point in energy efficiency, tskbenerjiverimlilik.com web portal has been online since 2011.

2



Sustainability Workshop

Launched in 2012, Sustainability Workshop is the very first literacy program in the field of sustainability which brings university students, namely future management candidates, academia and private sector representatives together. Please refer to [Sustainability Literacy](#) section for more details on this important project that is organized with the cooperation of TSKB's subsidiary Escarus.

3



Zero Carbon Projects

TSKB has been carrying out carbon-neutral banking since 2008 and continues to support low-carbon life through various projects:

- The first Zero Carbon Concert organization within the scope of IKSVM Music Festival
- Offsetting the carbon footprint of TSKB's recruitment program, the Career Workshop
- Organizing Zero Carbon conferences and events
- Annually, providing certificates to customers and business partners for offsetting their individual carbon footprint

4



Sharing Experience

TSKB shares its expertise in sustainability by providing support in form of sponsorships, organization and speakers to many events. The Bank continues to organize many case study presentations and forums at the universities, featuring Bank's managers, in order to convey its sustainable banking experience to younger generations. Please refer to [Sharing Experience](#) section for greater details on these communions which are especially important in terms of TSKB's reaching to a broad body of stakeholders and sharing its experience in the field of sustainability.

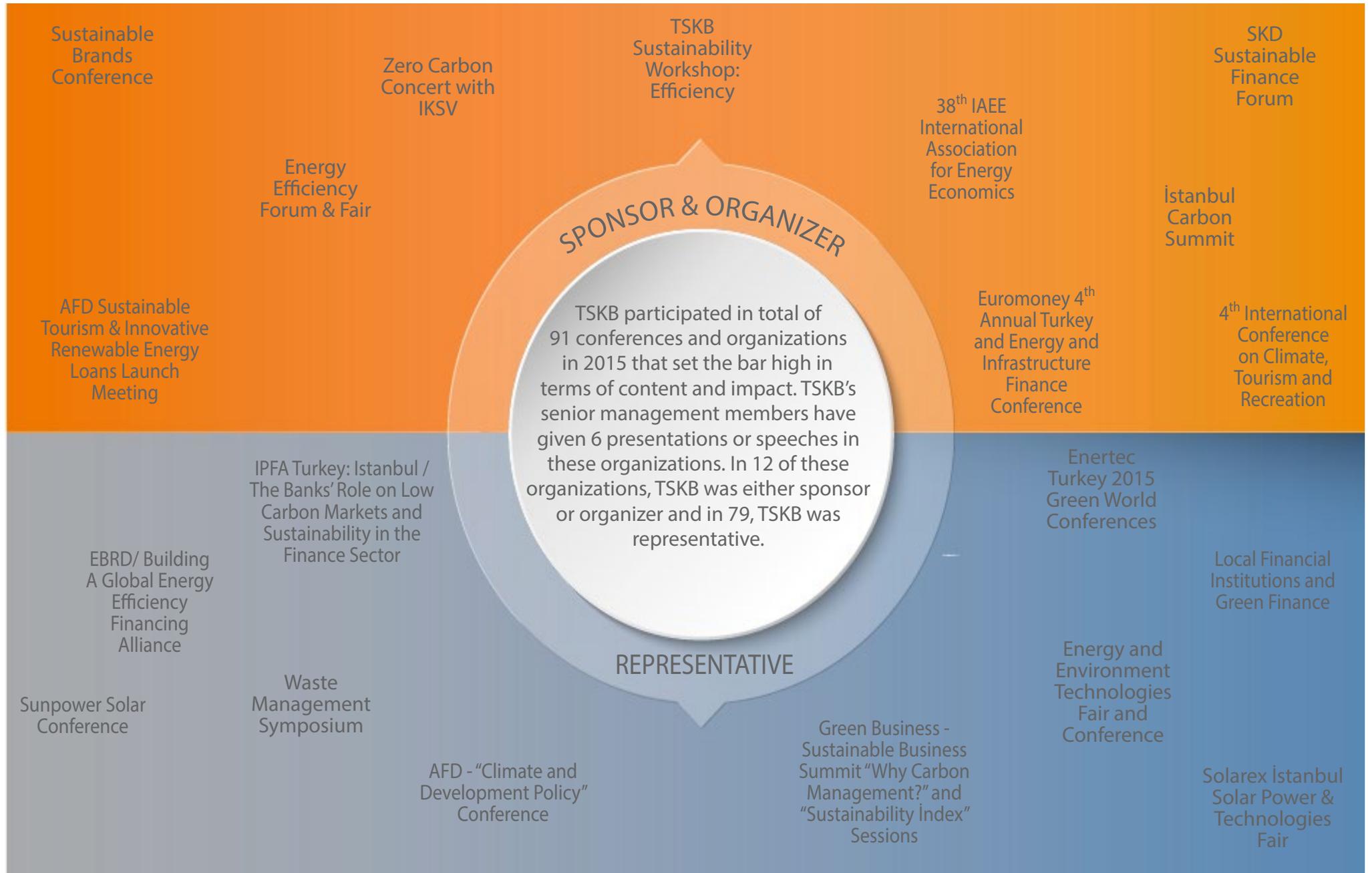
5



Culture & Arts

Since 1990, TSKB has been supporting concerts at the Music Festival organized by Istanbul Foundation for Culture and Arts (IKSV), contributing to Turkey's cultural growth. Turkey's first carbon-neutral bank, TSKB started to offset all of the carbon emissions generated by the transportation requirements of the performers and art lovers with a "Gold Standard Carbon Credit" that was purchased by TSKB from a clean energy company as of 2014.

SHARING EXPERIENCE



SUSTAINABILITY LITERACY

In the scope of sustainable banking, TSKB diversifies its efforts towards private sector - university cooperations. The Bank has been organizing Sustainability Workshops, the first literacy program in the field of sustainability, by bringing together the private sector representatives, academia and university students, as the managers of the future, since 2012.

In this project jointly conducted with the Bank's subsidiary Escarus, university students, academicians and private sector representatives come together and conduct case studies on measuring methodology of sustainability.

In workshops, where students gather in various teams to carry out case studies, each team is led by participants that have experience in private sector. Afterwards, the results and studies are interpreted.

TSKB organized the Sustainability Workshop 2015 during the Efficiency Week to emphasize efficiency as an essential part of its sustainability approach.

Students of Industrial Engineering Program in METU and TOBB University of Economics joined TSKB's Sustainability Workshop held in Ankara as part of the Efficiency Week that is annually organized by the Ministry of Science, Industry and Technology.

Information on energy efficiency in industry was shared with the students. In the Efficiency Week, a discussion panel titled "Young perspective on efficiency: what do university students think about efficiency?" was held to give students insight about the energy efficiency efforts in the industry. As usual, a special case study was done at the end of the workshop.



GOALS AND PERFORMANCE OBJECTIVES

		Our 2015 Objectives	Our 2015 Performance	Future Objectives
ENVIRONMENT AND SUSTAINABLE BANKING	SUSTAINABLE BANKING	Financing solar power plants of minimum 50 MW capacity and wind power plants of 100-150 MW capacity as of the end of 2016 in the scope of our dedication to innovative renewable energy financing.	In 2015, TSKB financed solar power plants of 25 MW capacity and wind power plants of 161 MW capacity.	TSKB projects to finance solar power plants of minimum 50 MW capacity and wind power plants of 100-150 MW capacity as of the end of 2016 in the scope of its dedication to innovative renewable energy financing.
		Continue supporting projects for improving the productivity in all aspects of energy and resource (water, raw materials and other production inputs) use in our country for the purpose of increasing the productivity of the industry and ensuring efficient and optimum use of finite resources. In this scope, financing 5 new water efficiency projects along with 10 new energy and/or resource efficiency projects starting from the beginning of 2015 until the end of 2016.	In 2015, TSKB financed 7 new energy efficiency and 34 new resource efficiency projects. 1 of these resource efficiency projects is a water efficiency project.	TSKB aims to continue supporting projects for improving the productivity in all aspects of energy and resource (water, raw materials and other production inputs) use in our country for the purpose of increasing the productivity of the industry and ensuring efficient and optimum use of finite resources. In this scope, the Bank aims to finance 5 new water efficiency projects along with 10 new energy and/or resource efficiency projects starting from the beginning of 2015 until the end of 2016.
		Providing the long-term resource opportunities, especially renewable energy, energy efficiency and APEX loans, to our clients under long-term maturities offered by international markets.	During the reporting period, TSKB continued to access international financial resources and to engage in efforts to secure the long-term resources required by its sustainable banking mission. Total of 694 m \$ was provided as financing in 2015.	TSKB aims to provide the long-term resource opportunities, especially renewable energy, energy efficiency and APEX loans, to our clients under longterm programs offered by international markets.
		Continue to calculate and offset our carbon footprint and continue our banking activities in accordance with zero carbon principles.	TSKB continued to be a carbon-neutral bank in 2015 by successfully implementing its Carbon-Neutrality Project.	TSKB commits to calculate and offset its carbon footprint and continue its banking activities in accordance with zero carbon principles in the following years.
	ENVIRONMENT	Reducing our CO ₂ emissions by 2.5% annually until the end of 2016 in comparison to 2012.	In CO ₂ emissions of 2015, the target value of 2015, which is based on 2.5% annual reduction in comparison to 2012 values, could not be realized. Main reason for this increase is the refrigerant leakage during the maintenance of the chiller units. In 2016, the target value is expected to be realized.	TSKB aims to further reduce its CO ₂ emissions by 2.5% annually until the end of 2016 in comparison to 2012.
		Continue using renewable energy in all our service buildings.	Having switched to use of renewable energy in all service buildings by June 1, 2009, TSKB continues to use renewable energy since then.	TSKB projects to continue its use of renewable energy in all service buildings.

GOALS AND PERFORMANCE OBJECTIVES

		Our 2015 Objectives	Our 2015 Performance	Future Objectives
ENVIRONMENT AND SUSTAINABLE BANKING	ENVIRONMENT	Continue to carry out all environmental and social risk measurements of all investment loans irrespective of the project size, ensure that relevant measures are taken in advance as appropriate for the risks involved, and follow up to make sure that these measures are in deed implemented.	Beginning from 2013, ERET, which was an Excel based evaluation tool, is programmed as TSKB specific banking application. By embedding ERET into IT database, its outputs and results become traceable, auditable and comparable in addition to its consolidation to the overall project appraisal process. In 2015, a revision was held to increase the weight of the social topics in the evaluation process, which resulted in increasing the criteria set of ERET from 35x5 to 45x5. In 2015, TSKB has evaluated all investment projects based on their environmental and social effects and risks.	TSKB commits to carry out all environmental and social risk measurements of all investment loans irrespective of the project size, ensure that relevant measures are taken in advance as appropriate for the risks involved, and follow up to make sure that these measures are in deed implemented.
		Successfully completing ISO 14001 and ISO14064 audits of 2015 and 2016. Periodically calculating and offsetting the Bank's carbon footprint within the scope of ISO 14064.	TSKB has succesfully completed the ISO 14001 audit that has been updated in 2015 as the first company in Turkey, upon completing the update of its Sustainability Management System accordingly and has been recertified. The Bank has also successfully completed the ISO 14064 audit in 2015, that is performed annually.	TSKB aims to successfully complete ISO 14001 and ISO14064 audits in 2016, periodically calculating and offsetting the Bank's carbon footprint within the scope of ISO 14064.
		Closely following developments in Turkey and abroad in the field of climate change, and considering these developments in our banking activities.	TSKB has been systematically following up the developments that took place and steps made in the field of climate change in Turkey and abroad, and actively participating in volunteer initiatives conducted by NGOs. In this scope, the Bank subscribed to Global Compact, UNEP FI and participated in Carbon Disclosure Project. As a leader institution in Turkey, TSKB is leading The Banks Association of Turkey's task group. In addition, TSKB is a Board Member of World Business Council for Sustainable Development as well as Global Company Local Network. Representatives from TSKB Sustainability Management Team have attended Paris Climate Conference COP21 in 2015.	TSKB continues to closely follow developments in Turkey and abroad in the field of climate change, and considering these developments in our banking activities.

GOALS AND PERFORMANCE OBJECTIVES

		Our 2015 Objectives	Our 2015 Performance	Future Objectives
CORPORATE GOVERNANCE AND COMPLIANCE		Continuing full compliance with the laws, corporate governance principles and ethics, and maintaining zero-tolerance level of error, impropriety and complaint.	In the period subject to this report, TSKB did every endeavor to comply with laws, corporate governance principles and ethics and maintained zero-tolerance level of error, impropriety and complaint.	TSKB aims to continue its compliance in this regard and to maintain its current “zero error/zero corruption/zero complaint” policy.
		Maintaining its current position as one of three companies with highest corporate governance rating in the sector and continuing to be role-model institution with its corporate governance practices.	Since the day it was included in BIST Corporate Governance Index in 2009, TSKB maintains its position among the companies with highest corporate governance rating of Turkey. TSKB’s corporate governance rating was revised to 9.52 on a scale of 10, in 2015. Thus, TSKB is now officially the institution that has the second highest corporate governance rating of all times.	TSKB aims to maintain its full compliance in this field, and continue to be a role-model with its corporate governance practices.
		Maintain full compliance with current laws and regulations in Turkey pertaining to preventing money-laundering and terrorism-financing.	TSKB is committed to being in full compliance with current laws and regulations in Turkey pertaining to money-laundering and terrorism- financing. For this reason, it has incorporated all essential control, warning, and other mechanisms related to such matters into its business processes.	TSKB aims to continue its full compliance with current laws and regulations in Turkey pertaining to preventing money-laundering and terrorism-financing.
SOCIAL CONTRIBUTION	HUMAN RESOURCES	Continuing and further improving technical and personal training programs for its employees. In this scope, continue planning so that each employee will participate at least in 1 training, which is the objective of years 2015 and 2016.	Each TSKB employee was subjected to an average of 44 hours (29 hours technical and 15 hours personal development) of trainings in 2015.	TSKB aims to continue and further improve technical and personal training programs for its employees. In this scope, planning is made so that each employee will participate at least in 1 training, which is the objective in 2016.
		Increasing trainings on sustainability.	TSKB provided various trainings on sustainability topics to its employees, an average of 1.5 hours per employee, in the reporting period.	In the next period, TSKB aims to increase the weight of sustainability trainings in its human resources training efforts.
		Maintaining diversity.	In 2015, percentage of women employees of TSKB was 56% and that of women in management was 33%.	TSKB aims to maintain and further improve the diversity of its human resources.

GOALS AND PERFORMANCE OBJECTIVES

		Our 2015 Objectives	Our 2015 Performance	Future Objectives
SOCIAL CONTRIBUTION	SOCIAL RESPONSIBILITY	Improving cevreciyiz.com website in terms of content and social media presence.	Completely redesigned in 2014, cevreciyiz.com website continues its efforts to build awareness in various categories of the community with its sustainability based subjects and social media posts. In 2015, current number of visitors of cevreciyiz.com has been maintained. Twitter followers have increased by 30%, Facebook and Instagram followers have increased by more than 100%.	TSKB aims to build awareness in broader sections of the community by expanding the area of influence and number of followers of cevreciyiz.com in 2015-2016 period. In this scope, our aim is to maintain the current number of visitors of cevreciyiz.com, increase Instagram followers by 40%, increase Twitter followers by 25% and increase Facebook fans by 20%.
		Continuing the Sustainability Workshop project in 2015-2016 with cooperation of Escarus, increasing the awareness and consciousness about the issue with at least 1 workshop activity each year.	TSKB, in cooperation with the Bank's affiliate Escarus, has been organizing "Sustainability Workshops" as a literacy program in the field of sustainability since 2011, by bringing together private sector representatives and, academia and university students, the managers of the future. Until now, approximately 200 university students have participated in case studies of the workshop program. TSKB has achieved "organizing at least one Sustainability Workshop each year" goal in 2015.	TSKB has achieved its 2015 goal and aims to continue the Sustainability Workshop project in 2016 with cooperation of Escarus, increasing the awareness and consciousness about the issue with at least one workshop activity each year.
		Sharing our experience with NGOs, sector players and the academia.	The Bank participated in total of 91 conferences and organizations in 2015 that set the bar high in terms of content and impact. TSKB's senior management members have given 6 presentations or speeches in these organizations. In 12 of these organizations, TSKB was either sponsor or organizer, and in 79 a representative. The Bank shared its sustainable banking experience in universities in several lessons via its best practices.	Considering sustainability to be a common target for entire business world rather than a competitive factor and believing in the importance of sharing its experiences accordingly, TSKB aims to continue sponsoring, organizing and participating as speaker to the events that are aligned with its field of activity in 2016. Moreover, the Bank is committed to continue sharing its experience in the field of sustainable banking in universities, which it considers to be an important stakeholder.
	Acting responsibly in terms of carbon footprint of all events that the Bank sponsors or organizes in order to support the target of measuring and mitigating its internal impacts.	TSKB launched a "Zero Carbon Concert" at the Istanbul Music Festival in the World Environment Day of 2014. All of the carbon emissions generated by the transportation requirements of the performers and art lovers were offset with a "Gold Standard Carbon Certificate" that was purchased by TSKB from a company investing in clean energy. Carbon footprints of clients and business partners have also been offset as a new year present. In line with its 2015-2016 goals, carbon emissions of all of the events organized by TSKB were offset and TSKB achieved the first part of its goals.	TSKB has achieved first part of its 2015-2016 goal about Zero Carbon" organizations and offsetting the carbon emissions of clients. The Bank aims to continue its "Zero Carbon" organizations in 2016, calculating the carbon footprints of concerts sponsored by TSKB, Career Workshops, Sustainability Workshops, conferences held by the Bank, presents prepared by the Bank, also clients and business partners and offsetting the carbon emissions of these by purchases of Gold Carbon Credits.	

GRI G4 CONTENT INDEX

G4 General Standard Disclosures			
General Standard Disclosures	Page	Omissions	Description
Strategy and Analysis			
G4-1	CEO's Message , p 6		Statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability
G4-2	Chairman's Message , p 5 CEO's Message , p 6		Description of key impacts, risks, and opportunities
Organizational Profile			
G4-3	TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.		Name of the organization
G4-4	TSKB'S Products and Services , p 9		Primary brands, products, and services
G4-5	Istanbul, Turkey		Location of the organization's headquarters
G4-6	Turkey		Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report
G4-7	Company Profile , p 7. Formed in 1950 TSKB is a publicly listed company on the İstanbul Stock Exchange (ISE ticker symbol: TSKB)		Nature of ownership and legal form
G4-8	Company Profile , p 7		Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)
G4-9	At end of 2015, the total number of people employed in banking services at TSKB headquarters and branches was 294. The Bank operates at its headquarters in İstanbul and in its 2 branches in İzmir and Ankara. For products, services and operations: TSKB'S Products and Services , p 9 For value produced: Financial Performance , p 21-22		Scale of the organization
G4-10	Human Resources , p 40-42		Number of employees by employment contract, region and gender
G4-11	In TSKB there is not any collective bargaining agreement in place. Employees are hired on an individual basis and rights under the Turkish Labor Law are fully provided.		Percentage of total employees covered by collective bargaining agreements

GRI G4 CONTENT INDEX

G4 General Standard Disclosures			
General Standard Disclosures	Page	Omissions	Description
Organizational Profile			
G4-12	TSKB's main suppliers are supranational financial institutions. TSKB provides funds from these institutions and finances investment projects. Apart from these, TSKB works with local suppliers on technology, transportation, catering, cleaning, office materials, etc related needs. Thematic Global Funds , p 30 Supplier Relations , p 47		Organization's supply chain
G4-13	There has not been any change during the reporting period.		Significant changes during the reporting period regarding the organization's size, structure, ownership, and its supply chain
G4-14	TSKB supports the precautionary principle under the UN Global Compact. Consistent with that principle, we advocate a risk-based approach to our operations through our extensive management systems.		Explanation of whether and how the precautionary approach or principle is addressed by the organization
G4-15	TSKB is a member of many international organizations and has also participated in a number of global initiatives and adopted their principles. Sharing Experience With Initiatives , p 34		Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses
G4-16	TSKB is a member of many international organizations and has also participated in a number of global initiatives and adopted their principles. Sharing Experience With Initiatives , p 34		Memberships of associations (such as industry associations) and national or international advocacy organizations
Identified Material Aspects and Boundaries			
G4-17	Company Profile , p 7		a. All entities included in the organization's consolidated financial statements or equivalent documents b. Entities included in the organization's consolidated financial statements or equivalent documents that are not covered by the report
G4-18	Stakeholder Analysis , p 17-20 TSKB's report content is defined by the GRI G4 Content Index and the issues material to the business as identified by key stakeholders who will use the report, including employees, community members, non-governmental organizations, and the media.		a. Process for defining the report content and the Aspect Boundaries b. How the organization has implemented the Reporting Principles for Defining Report Content
G4-19	Material aspects are the ones that are answered in the Content Index. Stakeholder Analysis , p 17-20		Material Aspects identified in the process for defining report content

GRI G4 CONTENT INDEX

G4 General Standard Disclosures			
General Standard Disclosures	Page	Omissions	Description
Identified Material Aspects and Boundaries			
G4-20	Stakeholder Analysis , p 17-20		For each material Aspect, the Aspect Boundary within the organization
G4-21	Stakeholder Analysis , p 17-20		For each material Aspect, the Aspect Boundary outside the organization
G4-22	Provided primarily as footnotes to individual charts where data changed.		The effect of any restatements of information provided in previous reports, and the reasons for such restatements
G4-23	Contents and boundaries are determined according to the G4 Guidelines and materiality analysis. Previous report was also prepared according to G4.		Significant changes from previous reporting periods in the Scope and Aspect Boundaries
Stakeholder Engagement			
G4-24	Stakeholder Analysis , p 17-18		A list of stakeholder groups engaged by the organization
G4-25	Stakeholder Analysis , p 17-18		Basis for identification and selection of stakeholders with whom to engage
G4-26	Stakeholder Analysis , p 17-18		Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process
G4-27	Stakeholder Analysis , p 17-20		Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting
Report Profile			
G4-28	2015		Reporting period for information provided
G4-29	2013-2014		Date of most recent previous report (if any)
G4-30	Annual		Reporting cycle
G4-31	Coşkun Kanberoğlu, TSKB Engineering Head & Sustainability Sub-Committee Head		Contact point for questions regarding the report or its contents
G4-32	In accordance with the option Comprehensive		'In accordance' option the organization has chosen and GRI Content Index for the chosen option

GRI G4 CONTENT INDEX

G4 General Standard Disclosures			
General Standard Disclosures	Page	Omissions	Description
Report Profile			
G4-33	In addition to its comprehensive internal metrics systems, TSKB employs a variety of internal and external processes to bring assurance that its operations are transparent and the information it reports is accurate and truly reflective of its actual results. While TSKB's financial performance is independently audited by KPMG majority of the KPIs presented in this report are checked by BSI as part of the ISO14001 and ISO14064 periodical audits.		Organization's policy and current practice with regard to seeking external assurance for the report
Governance			
G4-34	Corporate Governance , p 31-33		Governance structure of the organization, including committees of the highest governance body
G4-35	Sustainability Management at TSKB , p 35-36		Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees
G4-36	Sustainability Management at TSKB , p 35-36		Indicate whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body
G4-37	Sustainability Management at TSKB , p 35-36		Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics, if consultation is delegated, to whom and any feedback processes to the highest governance body
G4-38	Human Resources , p 40-42		Composition of the highest governance body and its committees
G4-39	The Chairman of the Board does not carry out any executive duty in day-to-day business		Indicate whether the Chair of the highest governance body is also an executive officer
G4-40	Please see TSKB's Corporate Governance Compliance Report 2015, pages: 61-65, at: http://www.tskb.com.tr/en/investor-relations/corporate-governance/corporate-governance-compliance-report		Nomination and selection processes for the highest governance body and its committees
G4-41	Please see TSKB's Corporate Governance Compliance Report 2015, pages: 60, 61, 63, at: http://www.tskb.com.tr/en/investor-relations/corporate-governance/corporate-governance-compliance-report		Processes for the highest governance body to ensure conflicts of interest are avoided and managed
G4-42	Sustainability Management at TSKB , p 35-36		Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts

GRI G4 CONTENT INDEX

G4 General Standard Disclosures			
General Standard Disclosures	Page	Omissions	Description
Governance			
G4-43	Sustainability Management at TSKB , p 35-36		Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics
G4-44	Please see TSKB's Corporate Governance Compliance Report 2015, pages: 64, 65 at: http://www.tskb.com.tr/en/investor-relations/corporate-governance/corporate-governance-compliance-report		Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics
G4-45	TSKB's highest governance body is the Board of Directors in setting the Bank's strategies. The Sustainability Committee - comprised of 2 Board Members and 2 Executive Vice Presidents of the Bank - and Corporate Governance Committee - comprised of 2 Board Members and 1 Executive Vice President - present their recommendations in the context of environmental and social impacts, risks and opportunities to the Board.		Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities
G4-46	Sustainability Management at TSKB , p 35-36		Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics
G4-47	Sustainability Management at TSKB , p 35-36		Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities
G4-48	Sustainability Management at TSKB , p 35-36		Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered
G4-49	Different topics are presented to the Board of Directors by Committees (Audit Committee, Remuneration Committee, Corporate Governance Committee, Sustainability Committee) for information and approval. Also Executive Vice Presidents present critical topics to the Board of Directors regularly.		Process for communicating critical concerns to the highest governance body
G4-50	Sustainability Management at TSKB , p 35-36		Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them
G4-51	For executives and employees at all levels, the remuneration policy of the Bank considers the equilibrium of the wage market and the Bank's competitiveness strength in the market.		Remuneration policies for the highest governance body and senior executives

GRI G4 CONTENT INDEX

G4 General Standard Disclosures			
General Standard Disclosures	Page	Omissions	Description
Governance			
G4-52	The process for determining remuneration is managed on the basis of criteria such as the characteristics of the functions and workload, geographical / regional / country differences, the equivalent wage levels in the market of functions (general, sectoral or functional), performance evaluation (competences, knowledge and skills, experience) and payment power of the Bank in the long-term. In order to support the decision process, sector wages research is being participated once in a year, including almost all of the banking sector. Reports prepared by expert consultants on current year's wages and benefits and the next year's projected values are followed regularly. The remuneration management of Inspection Board, and Internal Control and Risk Management departments – referred to as the Bank's Internal Systems – is carried out independently in accordance with the recommendation of the Audit Committee, comprised of Board Members. Monitoring and auditing of the compensation practices at the Bank on behalf of the Board is the responsibility of the Remuneration Committee appointed by the Board of Directors. Each year Remuneration Committee evaluates the Remuneration Policy and practices within the framework of risk management, and presents in a report including recommendations to the Board.		Process for determining remuneration. Indicate whether remuneration consultants are involved in determining remuneration and whether they are independent of management, and any other relationships which the remuneration consultants have with the organization
G4-53	TSKB does not have such a process.		How stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable
G4-54	-	Confidentiality constraints - TSKB does not declare this data as it is commercially sensitive.	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country
G4-55	This ratio is 1.		Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country

GRI G4 CONTENT INDEX

G4 General Standard Disclosures			
General Standard Disclosures	Page	Omissions	Description
Ethics and Integrity			
G4-56	For our Sustainability Policy and its supplementary policies: http://www.tskb.com.tr/en/sustainable-banking/tskb-surdurulebilirlik-yonetim-organizasyonu/our-sustainability-policy		Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics
G4-57	http://www.tskb.com.tr/i/assets/document/pdf/anti-bribery-and-anti-corruption-programme.pdf		Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines
G4-58	http://www.tskb.com.tr/i/assets/document/pdf/anti-bribery-and-anti-corruption-programme.pdf		Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines

GRI G4 CONTENT INDEX

G4 Specific Standard Disclosures

Material Aspects	Disclosures of Management Approach (DMA) and Indicators	Page	Omissions	Description
Economic				
Economic Performance	G4-DMA	Company Profile , p 7 Financial Performance , p 21-22 Support to Sustainable Development , p 23-24		
	G4-EC1	TSKB's economic contribution to society is more than financial profits. It creates jobs, pay salaries and invest in the skills of its human resources. TSKB also pays taxes, supports business in our supply chain and provides products that satisfy the needs of our customers. Financial Performance , p 21-22		Direct economic value generated and distributed
	G4-EC2	Sustainability Finance , p 25-29		Financial implications and other risks and opportunities for the organization's activities due to climate change
	G4-EC3	Please see "The Explanations on Liabilities Regarding Employee Benefits" part on the page 22 of TSKB's Audit Report: http://www.tskb.com.tr/i/content/1609_1_TSKB_SOLO_ENG_31_12_2015.pdf		Coverage of the organization's defined benefit plan obligations
	G4-EC4	TSKB does not get any type of financial assistance or aid from the government.		Financial assistance received from government
Indirect Economic Impacts	G4-DMA	Sustainability Finance , p 25-29		
	G4-EC7	Sustainability Finance , p 25-29		Development and impact of infrastructure investments and services supported
	G4-EC8	TSKB contributes to increasing the export and creating new business fields via APEX banking. Sustainability Finance , p 25-29		Significant indirect economic impacts, including the extent of impacts
Environmental				
Materials	G4-DMA	Sustainability Management at TSKB , p 35-36		
	G4-EN1	Management of Internal Environmental Impacts , p 38-39		Materials used by weight or volume
	G4-EN2	Management of Internal Environmental Impacts , p 38-39		Percentage of materials used that are recycled input materials

GRI G4 CONTENT INDEX

G4 Specific Standard Disclosures

Material Aspects	Disclosures of Management Approach (DMA) and Indicators	Page	Omissions	Description
Environmental				
Energy	G4-DMA	Sustainability Management at TSKB , p 35-36		
	G4-EN3	Management of Internal Environmental Impacts , p 38-39		Energy consumption within the organization
	G4-EN4	Management of Internal Environmental Impacts , p 38-39		Energy consumption outside of the organization
	G4-EN5	Management of Internal Environmental Impacts , p 38-39		Energy intensity
	G4-EN6	Each year TSKB takes actions to reduce its energy consumption in order to reduce its CO2 emissions in the context of ISO 14064. The first audit was for 2011 greenhouse gas emissions and it is set as base year. Management of Internal Environmental Impacts , p 38-39		Reduction of energy consumption
	G4-EN7	Each year TSKB takes actions to reduce its energy consumption in order to reduce its CO2 emissions in the context of ISO 14064. The first audit was for 2011 greenhouse gas emissions and it is set as base year. Management of Internal Environmental Impacts , p 38-39		Reductions in energy requirements of products and services
	G4-DMA	Sustainability Management at TSKB , p 35-36		
Emissions	G4-EN15	Management of Internal Environmental Impacts , p 38-39		Direct greenhouse gas (GHG) emissions (Scope 1)
	G4-EN16	Management of Internal Environmental Impacts , p 38-39		Energy indirect greenhouse gas (GHG) emissions (Scope 2)
	G4-EN17	Management of Internal Environmental Impacts , p 38-39		Other indirect greenhouse gas (GHG) emissions (Scope 3)
	G4-EN18	Management of Internal Environmental Impacts , p 38-39		Greenhouse gas (GHG) emissions intensity
	G4-EN19	Management of Internal Environmental Impacts , p 38-39		Reduction of greenhouse gas (GHG) emissions
	G4-EN20	TSKB's business activities do not result in significant emissions of these substances.		Emissions of ozone-depleting substances (ODS)
	G4-EN21	TSKB's business activities/operations do not generate significant emissions of these substances.		NOx, SOx, and other significant air emissions

GRI G4 CONTENT INDEX

G4 Specific Standard Disclosures

Material Aspects	Disclosures of Management Approach (DMA) and Indicators	Page	Omissions	Description
Environmental				
Products and Services	G4-DMA	Management of Loans' Environmental and Social Impacts , p 37		
	G4-EN27	All of TSKB's initiatives on such issues are governed by the Bank's Sustainability Management System. Management of Loans' Environmental and Social Impacts , p 37 Sustainability Finance , p 25-29		Extent of impact mitigation of environmental impacts of products and services
	G4-EN28	TSKB's business activities/operations do not generate significant packaging materials.		Percentage of products sold and their packaging materials that are reclaimed by category
Compliance	G4-DMA	Corporate Governance , p 31-33 Management of Loans' Environmental and Social Impacts , p 37 Sustainability Management at TSKB , p 35-36		
	G4-EN29	There was not such an incident in TSKB during the reporting period.		Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations
Transport	G4-DMA	Sustainability Management at TSKB , p 35-36		
	G4-EN30	The CO2 equivalent of the carbon emissions resulting from TSKB's transportation and travel activities in 2015 amounted to 510 tons, which corresponds to 41% of the Bank's total carbon emissions the same year. Of this total, only 99 tons were generated by the vehicles which the Bank uses to transport its personnel to and from work.		Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce
Supplier Environmental Assessment	G4-DMA	Sustainable Procurements Management Policy, http://www.tskb.com.tr/i/assets/document/pdf/Tskb-Sustainable-Procurements-Management-Policy.pdf		
	G4-EN32	Supplier Relations , p 47		Percentage of new suppliers that were screened using environmental criteria
	G4-EN33	TSKB's activities are not environmentally high-risk activities. TSKB considers its suppliers (particularly cleaning and catering) compliance with ISO 14001 standard.		Significant actual and potential negative environmental impacts in the supply chain and actions taken

GRI G4 CONTENT INDEX

G4 Specific Standard Disclosures

Material Aspects	Disclosures of Management Approach (DMA) and Indicators	Page	Omissions	Description
Environmental				
Environmental Grievance Mechanisms	G4-DMA	TSKB evaluates any opinions, suggestions and complaints submitted through its website, social media and other channels. http://www.tskb.com.tr/en/about-us/tskb-contact-form		
	G4-EN34	There were not any complaints during the reporting period.		Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms
Social: Labour Practices and Decent Work				
Employment	G4-DMA	Human Resources , p 40-42		
	G4-LA1	Human Resources , p 40-42		Total number and rates of new employee hires and employee turnover by age group, gender and region
	G4-LA2	Type of working time does not have an effect on benefits provided.		Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation
	G4-LA3	Human Resources , p 40-42		Return to work and retention rates after parental leave, by gender
Labor/Management Relations	G4-DMA	Human Rights Policy, http://www.tskb.com.tr/i/assets/document/pdf/TSKB-Human-Rights-Policy.pdf		
	G4-LA4	TSKB complies with the requirements of labor laws and regulations applicable to such issues in Turkey.		Minimum notice periods regarding operational changes, including whether these are specified in collective agreements
Occupational Health and Safety	G4-DMA	Occupational Health And Safety Policy, http://www.tskb.com.tr/i/assets/document/pdf/Tskb-Occupational-Health-and-Safety-Policy.pdf		
	G4-LA5	TSKB's Occupational Health and Safety Board is comprised of 6 bank employees, 1 HSE specialist, 1 occupational physician, 3 subsidiary companies representatives and 7 sub-employer representatives.		Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs
	G4-LA6	In the reporting period, 46 lost days due to work injury occurred.		Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender
	G4-LA7	TSKB is in the less dangerous working places class in the service sector. There is almost no work accident and occupational disease rate is zero.		Workers with high incidence or high risk of diseases related to their occupation
	G4-LA8	There are no union contracts in TSKB, all employees have individual contracts.		Health and safety topics covered in formal agreements with trade unions

GRI G4 CONTENT INDEX

G4 Specific Standard Disclosures

Material Aspects	Disclosures of Management Approach (DMA) and Indicators	Page	Omissions	Description
Social: Labour Practices and Decent Work				
Training and Education	G4-DMA	Investment in Human Resources , p 43-46		
	G4-LA9	Investment in Human Resources , p 43-46		Average hours of training per year per employee by gender, and by employee category
	G4-LA10	Investment in Human Resources , p 43-46		Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings
	G4-LA11	During the reporting period, all TSKB personnel who were employed in banking services (excluding top management) were subjected to the Bank's performance evaluation and career progression processes.		Percentage of employees receiving regular performance and career development reviews, by gender and by employee category
Diversity and Equal Opportunity	G4-DMA	Human Resources , p 40-42		
	G4-LA12	Human Resources , p 40-42		Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity
Equal Remuneration for Women and Men	G4-DMA	Investment in Human Resources , p 43-46		
	G4-LA13	Because TSKB abstains from any approach that takes gender into account with respect to compensation levels, the ratio of men's and women's salaries to one another is of no importance whatsoever when determining or implementing compensation policy.		Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation
Labor Practices Grievance Mechanisms	G4-DMA	Human Rights Policy, http://www.tskb.com.tr/i/assets/document/pdf/TSKB-Human-Rights-Policy.pdf		
	G4-LA16	There were no grievances about labor practices in TSKB during the reporting period.		Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms

GRI G4 CONTENT INDEX

G4 Specific Standard Disclosures

Material Aspects	Disclosures of Management Approach (DMA) and Indicators	Page	Omissions	Description
Social: Human Rights				
Investment	G4-DMA	Sustainability Policy, http://www.tskb.com.tr/en/sustainable-banking/tskb-surdurulebilirlik-yonetim-organizasyonu/our-sustainability-policy		
	G4-HR1	In 2015, all of the medium and long-term loan agreements that were signed for a total amount of USD 334 million (equivalent in US Dollars) with international financial institutions, corresponds to agreements that include provisions related to human rights. No business agreement or contract has been subject to human rights screening during the reporting period.		Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening
	G4-HR2	There are no specific trainings on human rights. Bank employees were informed about human resources and human rights in Sustainability Meetings.		Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained
Non-discrimination	G4-DMA	Human Rights Policy, http://www.tskb.com.tr/i/assets/document/pdf/TSKB-Human-Rights-Policy.pdf		
	G4-HR3	There were not any incidents of discrimination in TSKB during the reporting period.		Total number of incidents of discrimination and corrective actions taken
Freedom of Association and Collective Bargaining	G4-DMA	Human Rights Policy, http://www.tskb.com.tr/i/assets/document/pdf/TSKB-Human-Rights-Policy.pdf		
	G4-HR4	As no incident of such a nature was identified during the reporting period, it has not been necessary to develop such a policy.		Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights
Security Practices	G4-DMA	Sustainability Policy, http://www.tskb.com.tr/en/sustainable-banking/tskb-surdurulebilirlik-yonetim-organizasyonu/our-sustainability-policy		
	G4-HR7	In 2015, the related training under the "Private Security Law and Individual Rights" topic has been taken, as a part of Identity Refreshment training of the security staff. 17 staffed and third company provided security employees are trained on these topics regularly.		Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations

GRI G4 CONTENT INDEX

G4 Specific Standard Disclosures

Material Aspects	Disclosures of Management Approach (DMA) and Indicators	Page	Omissions	Description
Social: Human Rights				
Supplier Human Rights Assessment	G4-DMA	Sustainable Procurements Management Policy, http://www.tskb.com.tr/i/assets/document/pdf/Tskb-Sustainable-Procurements-Management-Policy.pdf		
	G4-HR10	TSKB checks to see if its suppliers' employees' income and social security taxes are being paid or not. All suppliers from which TSKB procures goods and services are required to abide by the relevant clauses of the bank's environment management system and ISO 14001 certification. This requirement is explicitly stipulated in suppliers' contracts.		Percentage of new suppliers that were screened using human rights criteria
	G4-HR11	As there were not any significant actual and potential negative human rights impacts in its supply chain during the reporting period, TSKB did not take any action.		Significant actual and potential negative human rights impacts in the supply chain and actions taken
Human Rights Grievance Mechanisms	G4-DMA	All employees can use the "I have a suggestion" module on the intranet page that is open to the Bank's personnel. http://www.tskb.com.tr/i/assets/document/pdf/anti-bribery-and-anti-corruption-programme.pdf		
	G4-HR12	In the reporting period there were not any complaints delivered to TSKB regarding human rights.		Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms
Social: Society				
Local Communities	G4-DMA	Environmental And Social Impact Policy http://www.tskb.com.tr/i/assets/document/pdf/TSKB-ENVIRONMENTAL-AND-SOCIAL-IMPACT-POLICY.pdf		
	G4-SO1	The effects of the financed projects on society are evaluated in the context of the ERET model. In addition, during the visits carried out in the project area, the views of local people about the project and their demands are also identified and taken into account.		Percentage of operations with implemented local community engagement, impact assessments, and development programs
	G4-SO2	TSKB does not have / nor finance any operation which has a negative impact on local communities.		Operations with significant actual or potential negative impacts on local communities
	FS-13	TSKB does not have any service point in low-populated or economically disadvantaged areas.		Access points in low-populated or economically disadvantaged areas
	FS-14	TSKB is a development bank. Therefore the Bank does not have retail banking services for disadvantaged people.		Initiatives to improve access to financial services for disadvantaged people

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G4 Specific Standard Disclosures

Material Aspects	Disclosures of Management Approach (DMA) and Indicators	Page	Omissions	Description
Social: Society				
Anti-corruption	G4-DMA	Anti-Bribery and Corruption Policy http://www.tskb.com.tr/i/assets/document/pdf/TSKB_anti_bribery_and_anti_corruption_policy.pdf		
	G4-SO3	Please see pages 73-74 of TSKB's 2015 Annual Report: http://www.tskb.com.tr/i/content/1609_1_TSKB_EN_2015.pdf		Total number and percentage of operations assessed for risks related to corruption and the significant risks identified
	G4-SO4	All our stakeholders can reach TSKB's activities on Anti-Bribery and Anti-Corruption from the following link: http://www.tskb.com.tr/i/assets/document/pdf/anti-bribery-and-anti-corruption-programme.pdf		Communication and training on anti-corruption policies and procedures
	G4-SO5	As no incidents of corruption were identified during the reporting period, it has not been necessary to take any such action.		Confirmed incidents of corruption and actions taken
Public Policy	G4-DMA	TSKB does not make any political donations or grants, according to the Banking Law numbered 5411, "Regulation on the Donations and Grants to be made by Banks and Institutions subject to Consolidated Supervision" which was published by Banking Regulatory and Supervision Agency, and TSKB's Anti-Bribery and Anti-Corruption Policy item 5/b. Also all donations and grants which shall be made by TSKB are defined in its Donations and Grants Policy: http://www.tskb.com.tr/i/assets/document/pdf/TSKB_DonationPolicy_ENG.pdf		
	G4-SO6	TSKB does not contribute financially and in-kind to political parties, politicians and related institutions.		Total value of political contributions by country and recipient/beneficiary
Anti-competitive Behavior	G4-DMA	Corporate Governance Principles Compliance Report 2015, Ethical Rules and Social Responsibility, page 61: http://www.tskb.com.tr/en/investor-relations/corporate-governance/corporate-governance-compliance-report		
	G4-SO7	During the reporting period (2015), TSKB was not the subject of any legal process due to any behaviour restricting competition, trust or monopoly practices.		Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes

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G4 Specific Standard Disclosures

Material Aspects	Disclosures of Management Approach (DMA) and Indicators	Page	Omissions	Description
Social: Society				
Compliance	G4-DMA	Please see TSKB's 2015 Annual Report, pages: 72-74, at: http://www.tskb.com.tr/i/content/1609_1_TSKB_EN_2015.pdf		
	G4-SO8	The Bank has not been exposed to any sanctions or fines of material importance. Please see TSKB's 2015 Annual Report, page:179 http://www.tskb.com.tr/i/content/1609_1_TSKB_EN_2015.pdf		Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations
Grievance Mechanisms for Impacts on Society	G4-DMA	TSKB receives and evaluates all complaints and suggestions through the Communication part in its website: http://www.tskb.com.tr/en/about-us/tskb-contact-form		
	G4-SO11	In the reporting period, there were not any grievances delivered to TSKB.		Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms
Social: Product Responsibility				
Marketing Communications	G4-DMA	Management of Loans' Environmental and Social Impacts , p 37		
	G4-PR6	TSKB offers all its products and services within the framework of Turkish laws and international conventions which Turkey is a party of. TSKB operates in full compliance with the laws, standards and voluntary codes regarding the marketing communications including advertising, promotion, and sponsorship. Management of Loans' Environmental and Social Impacts , p 37		Sale of banned or disputed products
	G4-PR7	In the reporting period, there were not any complaints delivered to TSKB.		Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes
Customer Privacy	G4-DMA	Within the scope of credit and lending processes, the information provided by the customer, which is covered by confidentiality agreements made in accordance with the customer demand, are stored by TSKB during the time interval mentioned in the contract. TSKB does not share this information with any third party, organization or institution as long as there is no legal obligation or liability.		
	G4-PR8	In the reporting period, there were not any complaints delivered to TSKB.		Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

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G4 Specific Standard Disclosures

Material Aspects	Disclosures of Management Approach (DMA) and Indicators	Page	Omissions	Description
Social: Product Responsibility				
Compliance	G4-DMA	Please see TSKB's 2015 Annual Report, pages: 72-74, at: http://www.tskb.com.tr/i/content/1609_1_TSKB_EN_2015.pdf		
	G4-PR9	The Bank has not been exposed to any sanctions or fines of material importance. Please see TSKB's 2015 Annual Report, page:179 http://www.tskb.com.tr/i/content/1609_1_TSKB_EN_2015.pdf		Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services
Product Portfolio	G4-DMA	Sustainability Finance , p 25-29		
	FS-6	Sustainability Finance , p 25-29		Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.
	FS-7	Sustainability Finance , p 25-29		Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.
	FS-8	Sustainability Finance , p 25-29		Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.
Audit	G4-DMA	Performance and Objectives , p 51-54		
	G4-DMA	Management of Loans' Environmental and Social Impacts , p 37		
Active Ownership	FS-10	TSKB has no subsidiaries or affiliates of this nature		Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.
	FS-11	TSKB has no assets of this nature.		Percentage of assets subject to positive and negative environmental or social screening.