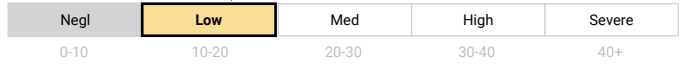


# Türkiye Sinai Kalkinma Bankasi AS

Diversified Banks | Turkey | IST:TSKB

## 16.7 Low Risk



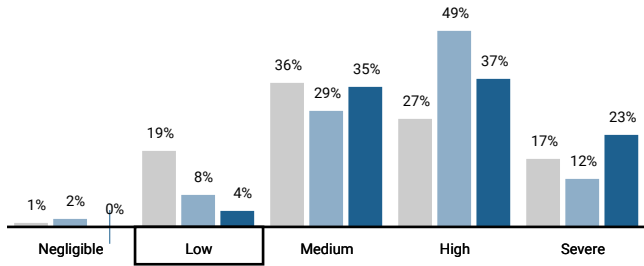
### Rating Overview

The company is at low risk of experiencing material financial impacts from ESG factors, due to its medium exposure and strong management of material ESG issues. Furthermore, the company has not experienced significant controversies.

### Momentum Score

Not available due to a lack of comparable historical information

### ESG Risk Rating Distribution



### Relative Performance

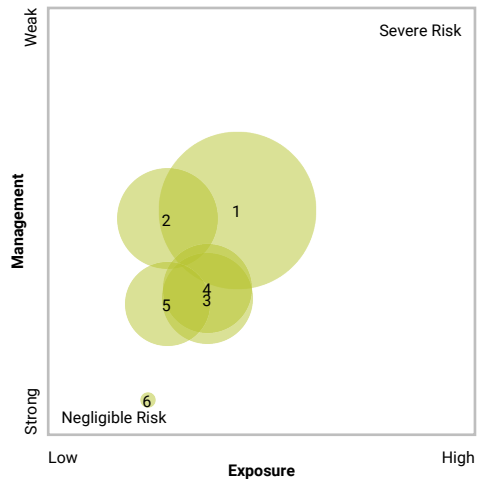
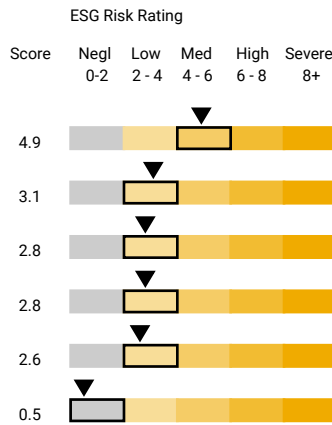
	Rank (1 <sup>st</sup> = lowest risk)	Percentile (1 <sup>st</sup> = lowest risk)
Global Universe	1185 out of 12082	11th
Banks (Industry Group)	51 out of 923	6th
Diversified Banks (Subindustry)	6 out of 372	2nd



### Attribution Analysis

#### Top Material Issues

- Corporate Governance
- Human Capital
- Business Ethics
- Product Governance
- Data Privacy and Security
- ESG Integration - Financials

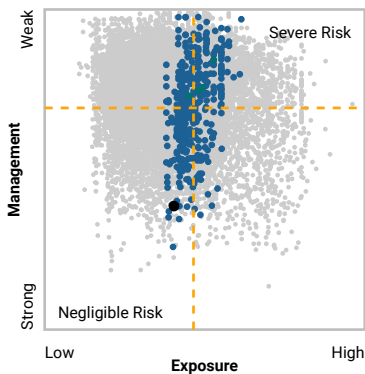


△ = Significant event

○ = Circle size = Contribution to ESG Risk Rating



### Risk Analysis



#### Peers (Market cap \$0.4 - \$0.5bn)

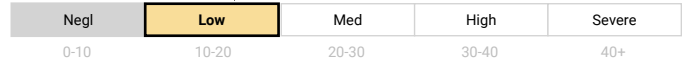
Peer	ESG Risk Rating	Exposure	Management
1. Türkiye Sinai Kalkinma Bankasi AS	16.7 Low	40.4 Medium	61.4 Strong
2. Alior Bank SA	33.4 High	45.1 Medium	27.1 Average
3. Banco Latinoamericano de Comercio Exterior, S.A	36.6 High	48.0 Medium	25.4 Average
4. Heartland Group Holdings Ltd.	38.1 High	49.4 Medium	24.3 Weak
5. National Bank of Pakistan	45.0 Severe	52.8 Medium	15.7 Weak

- Global Universe
- Diversified Banks (Subindustry)
- Türkiye Sinai Kalkinma Bankasi AS
- Peers
- + SubIndustryAvg.

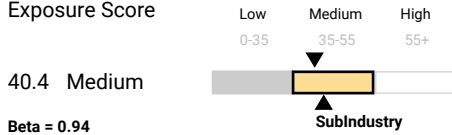
# Türkiye Sinai Kalkınma Bankası AS

Diversified Banks | Turkey | IST:TSKB

## 16.7 Low Risk



### Exposure Score

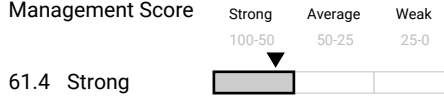


Beta = 0.94

TSKB's offering includes corporate loans and project finance, derivatives, corporate finance, as well as research and advisory services to domestic and international clients. Through its diverse business lines, the company is exposed to ethical risks, including money laundering, conflicts of interest and insider trading. Infractions could result in increased regulatory scrutiny and fines. Additionally, with a total cash loan disbursement of USD 650 million in FY2019, TSKB is subject to intense scrutiny regarding the transparency of its loans and the way they are marketed to clients. Related misconduct could trigger investigations and client loss. Furthermore, TSKB has developed many digital options for its customers and through these it collects highly sensitive data. Failure to properly secure such data from cyberattacks could lead to service disruptions and lawsuits.

The company's overall exposure is medium and is moderately below subindustry average. Business Ethics, Product Governance and Data Privacy and Security are notable material ESG issues.

### Management Score



For FY2019, TSKB released an Integrated Annual Report prepared in compliance with the International Integrated Reporting Framework and the Core Option of GRI Reporting Guidelines, which stands for best practice in terms of ESG disclosure, thus signalling strong accountability to investors and the public. The company's ESG-related issues are overseen by the board's Sustainability Committee, suggesting that these are integrated in core business strategy.

The company's overall management of material ESG issues is strong.

## Attribution Details

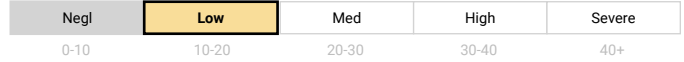
Issue Name	Contribution to						ESG Risk Rating	Risk Category
	ESG Risk Rating	Subindustry Exposure	Company Exposure	Manageable Risk Factor	Management Score	Management Weight		
Corporate Governance	29.3%	9.0	9.0	100%	45.6	23.3 %	4.9	
Human Capital	18.7%	6.0	5.7	95%	47.5	14.0 %	3.1	
Business Ethics	16.9%	8.0	7.6	95%	66.3	18.7 %	2.8	
Product Governance	16.5%	8.0	7.6	100%	63.8	19.7 %	2.8	
Data Privacy and Security	15.7%	6.0	5.7	80%	67.5	11.8 %	2.6	
ESG Integration -Financials	2.9%	6.0	4.8	100%	90.0	12.4 %	0.5	
<b>Overall</b>	<b>100.0%</b>	<b>43.0</b>	<b>40.4</b>	<b>95.5 %</b>	<b>61.4</b>	<b>100.0%</b>	<b>16.7</b>	<b>Low</b>

△ =Significant event

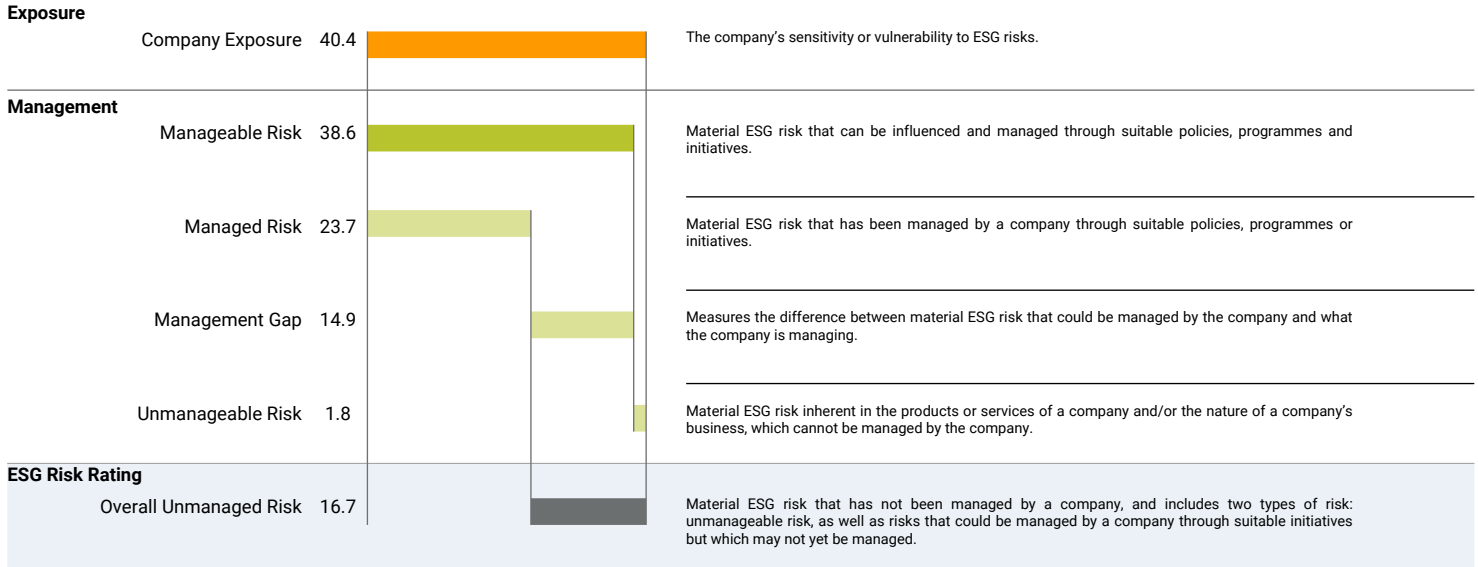
# Türkiye Sinai Kalkınma Bankası AS

Diversified Banks | Turkey | IST:TSKB

## 16.7 Low Risk



### Risk Details



### Momentum Details

Not available due to a lack of comparable historical information

# Türkiye Sinai Kalkınma Bankası AS

Diversified Banks | Turkey | IST:TSKB

## GLOSSARY OF TERMS

### Beta (Beta, $\beta$ )






A factor that assesses the degree to which a company's exposure deviates from its **subindustry's** exposure on a **material ESG issue**. It is used to derive a company-specific issue exposure score for a material ESG issue. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

### Corporate Governance Pillar

A pillar provides a signal about a company's management of a specific Corporate Governance issue.

### ESG Risk Category

Companies' **ESG Risk Rating scores** are assigned to five ESG risk categories in the **ESG Risk Rating**:

-  **Negligible risk:** enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
-  **Low risk:** enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
-  **Medium risk:** enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
-  **High risk:** enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
-  **Severe risk:** enterprise value is considered to have a severe risk of material financial impacts driven by ESG factors

Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

### ESG Risk Rating Score (Unmanaged Risk Score)

The company's final score in the **ESG Risk Rating**; it applies the concept of **risk decomposition** to derive the level of **unmanaged risk** for a company.

### Event Category

Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

### Event Indicator

An indicator that provides a signal about a potential failure of management through involvement in controversies.

### Excess Exposure

The difference between the company's **exposure** and its **subindustry** exposure.

### Exposure

A company or **subindustry's** sensitivity or vulnerability to ESG risks.

### Idiosyncratic Issue

An issue that was not deemed material at the **subindustry** level during the **consultation process** but becomes a **material ESG issue** for a company based on the occurrence of a Category 4 or 5 event.

### Manageable Risk

Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

### Managed Risk

Material ESG Risk that has been managed by a company through suitable policies, programmes and initiatives.

### Management

A company's handling of ESG risks.

### Management Gap

Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

### Management Indicator

An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

### Material ESG Issue

A core building block of the **ESG Risk Rating**. An ESG issue is considered to be material within the rating if it is likely to have a significant effect on the enterprise value of a typical company within a given **subindustry**.

### Subindustry

Subindustries are defined as part of Sustainalytics' own classification system.

### Unmanageable Risk

Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

### Unmanaged Risk

Material ESG risk that has not been managed by a company, and includes two types of risk: **unmanageable risk**, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (**management gap**).

# Türkiye Sinai Kalkınma Bankası AS

Diversified Banks | Turkey | IST:TSKB

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