

TSRS-ALIGNED SUSTAINABILITY REPORT

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THE PAST, PRESENT, AND
FUTURE OF DEVELOPMENT



COMPLIANCE OPINION ON THE TSRS REPORT



CONVENIENCE TRANSLATION INTO ENGLISH OF PRACTITIONER'S LIMITED ASSURANCE REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES SUSTAINABILITY INFORMATION IN ACCORDANCE WITH TURKISH SUSTAINABILITY REPORTING STANDARDS

To the General Assembly of Türkiye Sınai Kalkınma Bankası A.Ş.

We have undertaken a limited assurance engagement on Türkiye Sınai Kalkınma Bankası A.Ş. (the "Bank") [and its subsidiaries (collectively referred to as the "Group")], Sustainability Information on pages 194. to 235. of the Integrated Annual Report ("Sustainability Information") for the year ended 31 December 2025 in accordance with Turkish Sustainability Reporting Standards 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and Turkish Sustainability Reporting Standards 2 "Climate Related Disclosures".

Our assurance engagement does not extend to information in respect of any other information included in the Integrated Annual Report 2025 or linked to from the Sustainability Information or from the Integrated Annual Report 2025 (including any images, audio files, document embedded in a website or embedded videos).

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the 'Summary of the work we performed as the basis for our assurance conclusion' and the evidence we have obtained, nothing has come to our attention that causes us to believe that Group's Sustainability Information pages 194. to 235. of the Integrated Annual Report for the year ended 31 December 2025 is not prepared, in all material respects, in accordance with Turkish Sustainability Reporting Standards published in the Official Gazette dated 29 December 2023 and numbered 32414(M) and issued by Public Oversight Accounting and Auditing Standards Authority (the "POA"). We do not express an assurance conclusion on information in respect of any other information included in the Integrated Annual Report 2025 or linked to from the Sustainability Information or from the Integrated Annual Report 2025, including any images, audio files or embedded videos.

Inherent Limitations in Preparing the Sustainability Information

As discussed in "Calculation Principles of Metrics" on pages 254. to 257. the Sustainability Information is subject to inherent uncertainty because of incomplete scientific and economic knowledge. Greenhouse gas emission quantification is subject to inherent uncertainty because of incomplete scientific knowledge. Additionally, the Sustainability Information includes information based on climate-related scenarios that is subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing or effect of possible future physical and transitional climate-related impacts.

Responsibilities of Management and Those Charged with Governance for the Sustainability Information

Management of Group are responsible for:

- The Group management is responsible for the preparation of the sustainability information in accordance with Turkish Sustainability Reporting Standards;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error;
- The Group Management is also responsible for the selection and implementation of appropriate sustainability reporting methods, as well as making reasonable assumptions and developing estimates in accordance with the conditions.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Practitioner's Responsibilities for the Limited Assurance on Sustainability Information

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and

- Reporting our conclusion to the Directors of Group.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the sustainability information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of Sustainability Information.

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

Professional Standards Applied

We performed a limited assurance engagement in accordance with Standard on Assurance Engagements 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information and, in respect of greenhouse gas emissions included in the Sustainability Information, in accordance with Standard on Assurance Engagements 3410 Assurance Engagements on Greenhouse Gas Statements, issued by POA.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") issued by the POA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was carried out by an independent and multidisciplinary team including assurance practitioners, sustainability and risk experts. We used the work of experts, in particular, to assist with determining the reasonableness of Group's information and assumptions related to climate and sustainability risks and opportunities. We remain solely responsible for our assurance conclusion.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Sustainability Information, we:

- Inquiries were conducted with the Group's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period
- The Group's internal documentation was used to assess and review the information related to sustainability;
- Considered the presentation and disclosure of the Sustainability Information.
- Through inquiries, obtained an understanding of Group's control environment, processes and information systems relevant to the preparation of the Sustainability Information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Evaluated whether Group's methods for developing estimates are appropriate and had been consistently applied, but our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Group's estimates;
- Obtained understanding of process for identifying risks and opportunities that are financially significant, along with the Group's sustainability reporting process.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Ali Yörük, SMMM
Independent Auditor

Istanbul, 5 March 2026

ABOUT THE REPORT

This Report aims to disclose, within a transparent, comparable, and accountable framework across the value chain, how Türkiye Sınai Kalkınma Bankası A.Ş. (TSKB or the Bank) manages its material sustainability- and climate-related risks and opportunities, and the short-, medium-, and long-term effects of these factors on the Bank's financial position, financial performance, and cash flows, in order to support the decision-making processes of the primary users of general purpose financial reports.

GENERAL PROVISIONS - BASIS OF PREPARATION

The Report covers the financial reporting period of January 1 – December 31, 2025, and is the second TSRS-aligned Sustainability Report published by the Bank. Unless otherwise stated, all financial data is consistent with the consolidated financial statements dated December 31, 2025. All monetary amounts in the Report are denominated in Turkish Lira (TL).

The reporting entity is TSKB, which is listed on Borsa İstanbul (BIST). Yatırım Finansman Menkul Değerler A.Ş.* and TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. are included in the scope of this report as consolidated subsidiaries, while TSKB Gayrimenkul Değerleme A.Ş. and TSKB Sürdürülebilirlik Danışmanlığı A.Ş. (Escarus) are included as unconsolidated subsidiaries. The Bank has no operations abroad; the Report covers activities conducted in Türkiye.

This Report has been prepared in compliance with the Turkish Sustainability Reporting Standards (TSRS), which were published by the Public Oversight, Accounting and Auditing Standards Authority of Türkiye (POA) in the Official Gazette dated December 29, 2023, and are effective for annual periods beginning on January 1, 2024. In this context, the requirements of TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information and TSRS 2 Climate-related Disclosures have been adopted as the basis for preparation. The disclosures are structured around four core components: Governance, Strategy, Risk Management, and Metrics and Targets. During the reporting period, the Bank's relevant affiliates have also been included in the emissions inventory presented under the Metrics and Targets section.

*Yatırım Finansman Menkul Değerler A.Ş., one of TSKB's subsidiaries, is subject to TSRS obligations. For this reason, Yatırım Finansman Menkul Değerler A.Ş. publishes a separate aligned Sustainability Report, aligning with its own organizational boundaries. The report for the initial reporting year of 2024, published on August 1, 2025, can be accessed on their corporate **websites**.

TRANSITION EXEMPTIONS

During the reporting period, TSKB only benefited from the transition exemption under Article E4 of TSRS 1. The Bank published its TSRS-aligned Sustainability Report in March 2026, after disclosing its financial statements for the period January 1, 2025 – December 31, 2025.

FAIR PRESENTATION AND RELATED INFORMATION

The qualitative characteristics of information defined in TSRS 1 were taken into account in the preparation of this Report. Care has been taken to ensure that the disclosures are relevant, complete, unbiased, accurate, and verifiable, in accordance with the principle of fair presentation. The disclosures have been prepared within the framework of a financial materiality approach, based on the information needs of primary users. The information has been presented to ensure the principles of comparability, understandability, and timeliness.

Accordingly, risks and opportunities that could reasonably be expected to affect the Bank's future financial adequacy have been quantitatively disclosed through annual targets, linked where possible to the six capital dimensions—primarily financial, natural, and social—in its business model. In cases where quantitative measurement was not possible, qualitative disclosures and contextual information have been provided.

COMPARATIVE INFORMATION

The amounts included in the financial disclosures related to risks and opportunities that could reasonably be expected to affect the Bank's future financial adequacy are presented comparatively with the amounts for the previous period, the 2024 financial year. As part of the comparative presentation, indicators related to metrics, targets, and the current and anticipated financial effects of sustainability-related risks and opportunities have been shared to support the understandability of the disclosures.

MATERIALITY ASSESSMENT

To manage its sustainability-related risks, including climate, and to capitalize on opportunities, TSKB addresses its impacts and dependencies on the climate and environment, as well as the connections between risks and opportunities, in a holistic manner. Accordingly, in its processes for responding to risks, adapting to developments, and creating opportunities, the Bank prioritizes risks and opportunities that have a material financial or strategic impact. TSKB defines a material impact as an effect that could cause a significant operational, financial, or strategic change in the Bank's activities and identifies it to represent all sustainability-related risks and opportunities that could reasonably be expected to affect the Bank's future financial adequacy.

The Bank's process for identifying financially material sustainability-related risks and opportunities and determining the material information to be reported is based on estimates and forward-looking information that include its short-, medium-, and long-term expectations for Tier I Capital, a key sectoral performance indicator. Similar to 2024, during the reporting period, any impact corresponding to 3% of the Bank's Tier I capital was defined as a material impact and approved by senior management, based on analyses conducted by the Risk Management, Budget Planning, and Climate Change and Sustainability Management departments.

The material impact threshold is calculated separately for each year in projection studies that also feed into scenario analyses, and the degree of materiality of the relevant risks and opportunities is determined. Risks and opportunities that may have a material impact are assessed and monitored within specific limits and within the framework of the risk policy. The material impact threshold is based on capital levels and other regulatory thresholds that may change over time. The material impact threshold is reviewed periodically, at least once a year, and the related projection studies are updated as deemed necessary.

SIGNIFICANT JUDGEMENTS AND MEASUREMENT UNCERTAINTIES

The Bank's process for identifying financially material sustainability-related risks and opportunities and determining the material information to be reported is based on estimates and forward-looking information that include its short-, medium-, and long-term expectations for Tier I Capital, a key sectoral performance indicator. Such assessments require the use of assumptions and estimates for certain amounts that cannot be directly measured.

While the assumptions regarding operational boundaries and emissions calculations are provided in the "Basis of Calculation for Metrics" section, information on the metrics is disclosed in the relevant section.

Scenario-based assessments are conducted to analyze the possible outcomes of future events under conditions of uncertainty, with the aim of identifying vulnerable assets and portfolio exposures in the areas of transition and physical risk and forecasting their potential financial impacts on the Bank. During the reporting period, to assess the physical and transition impact dimensions of sustainability-related risks and opportunities, the Bank used global climate scenarios such as the IEA Announced Pledges Scenario and the Paris Agreement-aligned IPCC RCP 4.5 and 8.5, as well as model outputs developed by research organizations like BloombergNEF. These scenarios include projections regarding sectoral greenhouse gas emission growth trends, carbon prices, and the frequency and intensity of climate events, and they contain measurement uncertainty due to variability in climate models and the course of physical climate change impacts. Other significant judgements and measurement uncertainties are also specified in the relevant sections of the Report.

INDUSTRY-BASED GUIDANCE RESOURCES

In the Report, the topic of "Integration of Environmental, Social, and Governance Factors in Credit Analysis," which is under the heading of Sustainability Disclosure Topics and Metrics in accordance with TSRS 2 Industry-Based Guidance Volume 16 - Commercial Banks, has been included. However, activity metrics related to customer distribution by segment have not been included in the report as they are not suitable for the development banking business model. For reporting greenhouse gas emissions data, the ISO 14064-1 Greenhouse Gas Calculation and Verification Standard, used since 2012 under the Sustainability Management System (SMS), continues to be applied; additionally, the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) methodology has been included in the calculation framework, in line with TSRS 2 requirements. Within the emissions inventory, the Partnership for Carbon Accounting Financials (PCAF) methodology was used to calculate Scope 3, Category 15 - financed emissions. Additionally, the PCAF methodology was utilized to calculate the performance of SBTi-approved science-based targets. Furthermore, the expectations set forth in the "Guidance on the Management of Climate-Related Financial Risks," published by the BRSA in July 2025, were also referenced in the disclosure of climate-related risks and opportunities. The Transition Plan, which is aligned with the Transition Plan Taskforce (TPT) framework, as required to be disclosed under TSRS 2, is provided on page 265.

INDEPENDENT ASSURANCE

The information presented in the Report has been subject to a limited assurance engagement by PwC Bağımsız Denetim ve SMMM A.Ş. in accordance with ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information," and ISAE 3410, "Assurance Engagements on Greenhouse Gas Statements." The Independent Auditor's Limited Assurance Report is provided on page 196.

THE REPORTING ENTITY

Business Model

Since 1950, TSKB has been supporting Türkiye's sustainable and inclusive development through its corporate banking, investment banking, and advisory services business lines. With its long-standing collaborations with international development finance institutions and financial organizations, over 75 years of experience, and technical capacity, the Bank places supporting economic transformation in impact-oriented areas at the core of its business model. These areas include combating climate change, supporting the transition to a low-carbon economy, financing climate- and environmentally-friendly investments, inclusive growth, equal opportunity, and the creation of qualified employment. A pioneer in meeting the long-term financing needs of the private sector, TSKB develops solutions based on emerging needs and customer demands. The Bank's head office is located in Istanbul, and a second headquarters was opened in Ankara in 2023.

The key inputs of TSKB's value creation model are strong liquidity position, diversified, long-term funding sources, high capital adequacy ratios, technical expertise, and international partnerships. These inputs are transformed into financing, investment, and advisory activities in line with an approach of resilient financial performance that is aligned with its targets. Collaborations developed with international financial institutions support the diversification of the funding structure and the use of impact-oriented financing instruments.

The Bank conducts its operations in three main business lines with its subsidiaries and affiliates.

Financing, investment, and advisory activities, structured around sustainability, are carried out within the framework of sustainable finance targets aligned with the Sustainable Development Goals, forming the output and impact dimension of the value creation model. These targets are reviewed regularly, and the Bank expands its areas of impact in parallel with changing needs.

The free-float ratio of TSKB's shares, traded on the Borsa İstanbul (BIST) Stars Market under the ticker "TSKB," is 41.2%. As of year-end 2025, the Bank's registered capital is TL 7,500,000,000, and its paid-in capital is TL 2,800,000,000.

The organizational boundaries for the business model and value chain disclosures within the scope of the Report have been determined based on the operational control approach and are structured in line with the financial reporting consolidation boundary. Within this framework, the sustainability impacts and climate-related risk exposures arising from the activities of subsidiaries have been included in the consolidated assessments, taking into account data availability and measurement capacity. Affiliates have been included in the greenhouse gas inventory study within the framework of TSRS 2, paragraph 29(a)(iv). In determining the inventory scope in line with TSRS requirements, the parent company, TSKB, and its subsidiaries subject to consolidation were treated as a single group. Unconsolidated subsidiaries and affiliates were reported in separate categories as investments outside the scope of consolidation.

Key Financial Indicators	2024	2025
Total Assets (TL million)	231,260	326,657
Loan Portfolio (TL million)	166,418	235,880
Shareholders' Equity (TL million)	32,479	45,651
Total Number of Employees Including Subsidiaries	795	828

Subsidiaries	Sector	Area of Activity	Ownership / Share Ratio (%)	Capital (TL)	Financial Statement Consolidation*
Yatırım Finansman Menkul Değerler A.Ş.	Financial Institutions / Brokerage Firms (Capital Market Institution)	To engage in capital market activities specified in the Company's articles of association, in accordance with the Capital Markets Law and related legislation.	95.78	400,000,000.00	Yes
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.	Financial Institutions / Real Estate Investment Trusts	Main area of activity is to create and develop a real estate portfolio and to invest in real estate-based capital market instruments.	88.61	650,000,000.00	Yes
TSKB Gayrimenkul Değerleme A.Ş.	Real Estate Appraisal Services	In addition to CMB and BRSA licenses, it holds RICS certification and provides appraisal/valuation services for green building investments.	100	1,500,000.00	No
TSKB Sürdürülebilirlik Danışmanlığı A.Ş. (Escarus)	Advisory Services	Provides advisory services in the areas of strategic and operational sustainability; research, reporting, and training; and indexing and assessment.	100	6,478,899.00	No

* Due to the difference between the consolidation procedures required by the "Communiqué on the Preparation of Consolidated Financial Statements of Banks" and the Turkish Accounting Standards, non-financial subsidiaries are not consolidated as they are not considered financial institutions under the relevant communiqué. These non-financial subsidiaries are accounted for in the consolidated financial statements using the equity method. The Bank and its financial subsidiaries, Yatırım Finansman Menkul Değerler A.Ş. and TSKB Gayrimenkul Yatırım Ortaklığı A.Ş., have been included in the consolidated financial statements using the full consolidation method.

Associates*	Sector	Area of Activity	Ownership / Share Ratio (%)	Capital (TL)	Financial Statement Consolidation*
İş Finansal Kiralama A.Ş.	Financial Institutions / Leasing and Factoring Companies	Conducts financial leasing transactions.	29.46	695,302,645.00	Yes
İş Faktoring A.Ş.	Financial Institutions / Leasing and Factoring Companies	Conducts domestic and international factoring transactions.	21.75	150,000,000.00	Yes
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Financial Institutions / Venture Capital Investment Trust	Makes capital investments in venture companies.	17.69	85,048,841.00	No
Terme Metal Sanayi ve Ticaret A.Ş. (Terme)	Industry / Basic Metal Industry	Conducts metal production and processing activities.	17.83	1,757,500.00	No
Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş. (Ege Tarım)	Transportation and Storage / Licensed Warehousing	Provides licensed warehousing services for agricultural products.	10.05	15,476,226.00	No

* Due to the difference between the consolidation procedures required by the “Communiqué on the Preparation of Consolidated Financial Statements of Banks” and the Turkish Accounting Standards, non-financial affiliates are not consolidated as they are not considered financial institutions under the relevant communiqué. These non-financial affiliates are accounted for in the consolidated financial statements using the equity method. The parent company, the Bank, and its financial affiliates, İş Finansal Kiralama A.Ş., İş Girişim Sermayesi Yatırım Ortaklığı A.Ş., and İş Faktoring A.Ş., have been included in the consolidated financial statements using the equity method.

VALUE CHAIN

The Bank’s value chain structure is addressed with a holistic flow that, due to the nature of its development banking business model, starts from funding sources and extends through financing and investment decision-making mechanisms to the real sector and project portfolio. The value chain assessment is structured to cover not only the parent company’s activities but also the investment, real estate, fund, and advisory activities conducted by its subsidiaries within the financial reporting consolidation boundary.

The scope of the value chain is similar to the scope of the Stakeholder Analysis conducted in 2024. Accordingly, the value chain includes public finance institutions, financial institutions, customers, affiliates, investors, suppliers and subcontractors, academic stakeholders and NGOs, the board of directors and senior management, and employees.

The primary impact area of the business model is the loan and investment portfolio. Therefore, the main layer where sustainability- and climate-related impacts translate into financial results is defined in the downstream value chain and is positioned at the center of the materiality analysis. Investment and fund activities carried out through subsidiaries are considered complementary elements to this impact area.

Value Chain Component	Sub-Element	Area of Activity
Upstream	Funding Sources	Financing, capital, guarantee, and funding provider structures utilized by the Bank to support its operations and strengthen its sustainable financing capacity: <ul style="list-style-type: none"> Republic of Türkiye Ministry of Treasury and Finance Development Finance Institutions Financial Institutions Investors
	Goods and Services Suppliers and Subcontractors	External product and service providers for items such as technological equipment, advertising, security services, energy, cleaning, advisory, stationery, and logistics
Direct Operations	Main Business Lines	Parent Company and Financial Subsidiaries (YF and TSKB GYO)
	Other Business Lines	Non-Financial Subsidiary (Escarus and TSKB GMD)
Downstream	Business Partners and Stakeholders	Board of Directors and Senior Management, Employees, Affiliates, Public Institutions, Academic Stakeholders, NGOs, etc.
	Clients	Corporate clients, project owners, and investors who benefit from financing and advisory services; end-users of loan, project finance, advisory, and thematic financing products

GOVERNANCE

SUSTAINABILITY GOVERNANCE

For TSKB, a development bank, sustainability is not only a fundamental approach that shapes its business conduct and stakeholder interactions but also the main focus of its products and services. The concept of sustainability is integrated into TSKB's entire value creation model and is becoming increasingly important.

The fundamental framework of TSKB's sustainability management system is its Sustainability Policy, first published in 2012 and subsequently updated in line with developments and stakeholder expectations.

Additionally, 11 different policies developed and implemented in the environmental, social, and governance (ESG) focus areas detail TSKB's sustainability management principles. Among these complementary policies, the Environmental and Social Impact and Risk Management Policy includes the Exclusion List, in line with responsible banking principles.

In February 2026, the Sustainability Policy and its complementary policies were updated to reflect the expectations of funding institutions, ESG rating methodologies, local and global developments, and the Bank's evolving practices. Additionally, the Nature and Biodiversity Policy, developed for the protection of nature and biodiversity—identified as a material topic in last year's stakeholder analysis—has been included among the complementary policies of the Sustainability Policy. Oversight of the Sustainability Management System is conducted periodically through both internal audit processes and annual external ISO 14001 audits. The relevant policies can be accessed [here](#).

As a key component of TSKB's strategy, the focus on sustainability was incorporated into the strategic plan for the reporting period, addressing themes such as sustainable development, combating climate change, nature and biodiversity, and adaptation, in light of national and international developments like the Carbon Border Adjustment Mechanism (CBAM), the Emissions Trading System (ETS), and the Green Asset Ratio (GAR).

At TSKB, sustainability management is carried out through a multi-layered distribution of responsibility, extending from the Board of Directors to the operational units. Decisions made by the relevant bodies at the strategic level are translated into projects and practices at the operational level, thereby driving sustainability performance.

Detailed information on the distribution of responsibilities for sustainability management, the operational structure of relevant bodies, and their working principles can be accessed [here](#).

SUSTAINABILITY COMMITTEE

The TSKB Sustainability Committee is the highest governance body responsible for implementing the strategies and targets set in line with sustainability objectives.

Established in 2014, the Sustainability Committee, as of the reporting period, conducts its work with the participation of four Board of Directors members, the CEO, and two Executive Vice Presidents, one of whom is the Sustainability Leader. Committee members are selected based on their academic and professional competencies, ensuring they can develop and oversee strategies for managing sustainability-related risks and opportunities, particularly those concerning climate.

The Sustainability Committee ensures the coordination of business plans and activities developed within the scope of the Bank's sustainability strategy, vision, and targets, including climate change mitigation and adaptation, at the Board of Directors level. The Committee oversees the prioritization and management of sustainability-related risks and opportunities, including those related to climate. It ensures that short-, medium-, and long-term targets are set to assess the Bank's sustainability performance, and it monitors progress toward these targets. It oversees the submission of the Sustainability Policy and its complementary policies to the Board of Directors for approval and ensures the integration of approved policies into all business processes.

Ms. Ece Börü, who served as TSKB's CEO from August 2020 to April 2022, led the Bank's sustainability efforts, including the management of climate risks and opportunities, which gained momentum with the establishment of the Climate Risks Working Group in 2020.

CEO Mr. Ozan Uyar, the sole executive member of the Sustainability Committee also representing the Board of Directors, leads key milestones in TSKB's sustainability journey. Mr. Uyar is also a member of the Boards of Directors of ERTA and UN Global Compact Türkiye, and a member of the Advisory Board of Chapter Zero Türkiye, all of which are among the leading initiatives in the field of sustainability.

Mr. Mithat Rende, who was the Deputy Director General of Energy, Environment and Water Affairs in 2005 and chaired the Trade and Transit Working Group of the Energy Charter Conference in Brussels from 2005 to 2008, served as the Chief Negotiator for Climate Change and a member of the Turkish Nuclear Energy Commission from 2010 to 2013.

Mr. Murat Bilgiç, who served as TSKB's CEO from April 2022 to July 2025, led sustainability initiatives such as the Bank's 2022 Net-Zero Banking commitment and the target-setting processes approved by the Science Based Targets initiative (SBTi).

Executive Vice President Ms. Meral Murathan, a member of the Committee, serves as TSKB's Sustainability Leader, responsible for positioning sustainability activities within the strategic plan, guiding sustainability initiatives, and representing the Bank in sustainability communications.

The Committee met twice in 2025 to coordinate business plans and activities developed in line with the sustainability strategy, vision, and targets, and to closely monitor the activities of the Sustainability Management Committee and the Climate Change and Sustainability Management Directorate, which serves as the Committee's secretariat.

During the reporting period, the Committee conducted review, oversight, and approval activities related to policy revisions, long-term targets, commitments and performance, the Nature and Biodiversity roadmap, TSKB's Code of Ethics, and the TSRS-aligned Integrated Annual Report. At the General Assembly Meeting to be held in March 2026, shareholders will be informed about the sustainability activities carried out in 2025 and the plans for the upcoming period, in line with the climate transition plan and the targets aligned with the Sustainable Development Goals.

The Committee is informed at least twice a year regarding the targets publicly disclosed by TSKB. Committee members evaluate the action plans of the responsible teams for areas where targets were not met or performance was not aligned with goals.

The Climate Change and Sustainability Management Directorate regularly informs the Committee about changes in regulations and directives throughout the year, as well as developments concerning sustainability and climate risks, as they occur.

Sustainability-linked metrics and targets have been integrated into the remuneration policies for the executive members of the Committee.

Following budget discussions, sustainability-linked targets constitute 46% of the overall targets set for the entire Bank, including senior management. These targets, which are also linked to risks and opportunities expected to materially affect the Bank's financial performance during the reporting period, relate to sustainable funding, the SDG-linked loan portfolio, portfolio temperature score, digital efficiency, and human capital.

SUSTAINABILITY MANAGEMENT COMMITTEE

The Sustainability Management Committee, established to disseminate sustainability activities throughout the Bank and integrate them into various business processes in line with TSKB's sustainability vision, strategy, targets, and business plans, convenes at regular intervals.

The committee, composed of the TSKB CEO, Executive Vice Presidents directly involved in sustainability, directors, and employees of the Climate Change and Sustainability Management Department, supports the execution of the Bank's activities in alignment with the vision, strategy, and targets set by the TSKB Sustainability Committee.

Coordination of internal integration within the sustainability governance structure is carried out by the Climate Change and Sustainability Management Department, established in February 2024. The Directorate works in close collaboration with various business units to establish oversight and control mechanisms for identifying, assessing, and monitoring sustainability-related risks and opportunities, including those related to climate, and to ensure the integration of these mechanisms into the Bank's credit allocation, risk management, and strategic decision-making processes.

INTEGRATION OF SUSTAINABILITY INTO THE BANK'S SCORECARD

Sustainability-linked targets constituted 46% of the targets in TSKB's 2025 scorecard.

2025 COMMITTEE AGENDAS

Legal Regulations and Developments

- Climate Law
- Draft Türkiye Green Taxonomy Regulation
- Draft Regulation on the Türkiye Emissions Trading System (ETS)
- Draft Carbon Crediting and Offsetting Regulation
- BRSA Guidelines on the Management of Climate-Related Financial Risks
- BRSA Communiqué on the Green Asset Ratio
- Turkish Sustainability Reporting Standards
- Net-Zero Banking Alliance decisions
- COP 30 & COP 31
- 2025 Law Amendments (Amendments to the Environment, Mining, Pasture, Electricity, and Renewable Energy Laws by Law No. 7554)
- Amendments to the Environmental Impact Assessment (EIA) Regulation
- Water Efficiency Regulation
- Industrial Emissions Management Regulation

TSKB-SPECIFIC DEVELOPMENTS AND TOPICS

- Integrated Annual Report aligned with the Turkish Sustainability Reporting Standards
- Nature and Biodiversity Roadmap
- The Bank's Green Asset Ratio
- Science-based emission reduction targets
- 2050 net-zero roadmap and interim targets
- Long-term sustainable finance targets
- Sustainability strategy
- Climate-based scenario analyses
- Compliance with the Guidelines on the Management of Climate-Related Financial Risks

In 2025, global and domestic developments in sustainability were closely monitored, and associated risks and opportunities were assessed. Experiences were shared at stakeholder events attended by public and private sector representatives, and contributions were made to regulatory authorities' rulemaking efforts and action plans.

CLIMATE CHANGE AND SUSTAINABILITY MANAGEMENT DIRECTORATE

In February 2024, the Climate Change and Sustainability Management Directorate was established to centralize TSKB's sustainability efforts, create a dynamic structure responsive to national and international developments, and effectively monitor and manage the Bank's portfolio in line with long-term targets and commitments. The Directorate's responsibilities are structured under five main working areas.

Throughout the year, the Climate Change and Sustainability Management Department informed the Sustainability Management Committee and the Sustainability Committee, for which it serves as the secretariat. To enhance internal technical capacity, informational meetings and internal training sessions were organized with the participation of relevant departments.

Information and brainstorming meetings were held with the participation of various teams on topics such as the SDG Mapping Model, the Nature and Biodiversity Roadmap, the Green Asset Ratio Communiqué, the Turkish Sustainability Reporting Standards, and emissions practices in Türkiye and the European Union, leading to initiatives that contribute to TSKB's strategy.

As a stakeholder in the Credit Committee meetings where credit decisions are made, the Directorate presents the impact and potential trade-offs of each project on TSKB's long-term commitments and targets. It also conducts analyses that contribute to the integration of sustainability-related risks and opportunities, including climate, into senior management's decision-making processes.

Oversight of the sustainability governance structure, including the Committees and the Climate Change and Sustainability Management Directorate, is carried out through internal audit processes conducted during the year and annual external audit services.

Through these mechanisms, senior management actively fulfills its responsibility for monitoring, managing, and controlling sustainability-related risks and opportunities, including climate, and provides necessary guidance.

STRATEGY

TSKB addresses the impacts of sustainability-related risks and opportunities on its business model, value chain, and financial structure from a strategic perspective. This section has been prepared in accordance with TSRS 1 and TSRS 2 standards to explain where risks and opportunities are concentrated in the value chain, how they are integrated into strategy and decision-making processes, the strategy for managing these risks and opportunities, and how resilience to these risks is assessed.

IDENTIFICATION OF RISKS AND OPPORTUNITIES

Material Topics

The process of identifying sustainability-related risks and opportunities, guided by sources such as TSKB's corporate strategies, national and international banking and finance sector examples, global trends, SASB Standards, and the World Economic Forum (WEF) Global Risks Report, was conducted from a financial materiality perspective. The financial prioritization analysis is the first step in TSKB's approach to managing sustainability and climate risks and opportunities in compliance with TSRS. This assessment was conducted to determine whether sustainability and climate-related risks and opportunities could have a financial impact on TSKB in the short, medium, and long term.

To analyze the potential financial impacts of TSKB's climate and sustainability-related risks and opportunities, an assessment was made as to whether sustainability and climate topics have or are reasonably expected to have a material financial effect on TSKB. The risks and opportunities identified under each material topic were assessed based on their likelihood of occurrence and the magnitude of their potential financial impact in the short, medium, and long term.

Material Topics

Sustainable Financial Performance

Management of Climate Risks and Opportunities

Ethics, Legal Compliance, and Anti-Corruption

Supporting the UN SDGs

Cybersecurity and Data Privacy

Effective Risk Management

Customer Experience

Stakeholder Capitalism and International Partnerships

Environmental and Social Impact Monitoring and Reporting

Protection of Nature and Biodiversity

TERM DESCRIPTIONS

The Bank defines short, medium, and long term horizons for its strategy and projection studies, including those related to climate.

Short <1 year

The Bank defines the short term as a period of up to one year.

The Bank monitors the targets set within its medium- and long-term strategy on a monthly basis. It repeats its scenario analyses for sustainability-related risks and opportunities, including climate, on an annual basis. By continuously monitoring its portfolio from an environmental, social, and climate risk management perspective, TSKB can detect any misalignments affecting its performance or resilience at an early stage and incorporate necessary actions into its business plan.

Medium 1-5 years

The Bank defines the medium term as a period of one to five years.

In the one- to five-year period, the Bank takes strategic steps to adapt to acute physical risks and new regulations while assessing climate and sustainability-related risks. Developments in national and international legislative framework expected to be rapidly enacted in the coming period are projected to affect the country's economy in the medium term. In this context, the Bank must closely follow developments and align its strategy accordingly to continue supporting Türkiye's sustainable and inclusive development. To this end, the Bank actively participates in national and international initiatives, contributing to relevant efforts and shaping its future plans.

Long >5 years

The Bank defines the long term as a period of five years or more.

TSKB, which announced a commitment in 2022 to achieve net-zero emissions from its own operations while aligning its portfolio with net-zero emissions, is developing its strategy and setting targets accordingly. This period is a critical timeframe for taking strategic steps to achieve SBTi-approved emission reduction targets and meet SDG-linked loan disbursement targets. The long-term strategy is crucial both for minimizing sustainability risks, including climate, and for capitalizing on opportunities that arise during the transition process. Negotiations with development finance institutions and international financial organizations, which are among the Bank's most important stakeholders, are also conducted in line with this strategy.

Following the assessments, the management of climate risks and opportunities, which is among the high-priority topics due to its direct connection to the Bank's business model and loan portfolio, has been identified as a material topic that could reasonably impact financial performance, cash flows, access to finance, and cost of capital in the short, medium, and long term.

CLIMATE RISKS AND OPPORTUNITIES

Climate risk refers to the economic, social, and environmental consequences of the adverse effects arising from climate change. For financial institutions, these effects can create significant financial risks in the short, medium, and long term. The Bank makes rational and strategic decisions by considering the climate risks in its area of operation. Risks arising from climate change are classified as physical and transition risks. The Bank considers these risk factors when formulating and implementing its business strategies and assesses their potential impacts on its business model.

The impacts of climate risks on the Bank are examined from the perspective of direct and indirect effects. Direct risks focus on the impacts of climate change on the Bank's operations and activities, while indirect risks focus on the impacts of climate change on the Bank's products, services, and loan portfolio. Within the scope of the analyses conducted, the likelihood and impact severity of risks and opportunities are assessed in the short, medium, and long term.

In line with the TCFD guidelines, which are now part of the IFRS Foundation, TSKB analyzes the physical and transition risks from climate change in its loan portfolio and assesses short-, medium-, and long-term risks and opportunities.

Physical Risks

Physical risks arise from the potential physical impacts of climate change on organizations' assets, operations, workforce, supply chains, and markets. These risks can arise from sudden events (acute) or long-term changes in the climate (chronic) and can therefore have medium- and long-term impacts as well as short-term ones. The climate-related hazards that can cause chronic and acute risks, listed below, are based on the analysis set used in the Bank's Climate Risk Evaluation Tool (CRET).

Acute Risks

- Heat Wave
- Landslides
- Wildfires
- Heavy Rainfall and Flooding
- Severe Winds

Chronic Risks

- Water Stress
- Sea Level Rise
- Meteorological Drought

Transition Risks

Transition risks refer to the potential risks arising from the process of transitioning to a low-carbon economy. This process may involve policy, legal regulations, technological innovations, and market changes aimed at meeting emission reduction and adaptation needs related to climate change. The nature, speed, and focus of these changes can lead to varying degrees of financial and reputational transition risks for organizations. In this context, risks can stem from regulatory and legal obligations, the transformational pressure created by the shift to low-carbon technologies, market shifts in supply and demand dynamics, and changes in stakeholder perceptions of the organization's position in the transition process.

Due to the nature of its business model, the Bank's most significant area of impact is its loan portfolio. In this context, using a heat map methodology based on the CRET, the Bank conducted a loan portfolio analysis to holistically assess the portfolio's exposure to physical and transition risks as of year-end 2025. Taking into account the sectoral distribution of the portfolio, physical and transition risk categories with the potential for material financial impact were identified, and a climate-related risk and opportunity inventory was created accordingly.

The risk and opportunity inventory created in 2024, when TSRS obligations were implemented, was reassessed through the annual review conducted in 2025. As a result of the review, no new risk or opportunity topics were added to the inventory; the validity of existing topics and their corresponding action and control processes was maintained.

According to the inventory, no risk with a material climate-related impact was identified in the short term. In the medium and long term, risks arising from direct operations and from climate-related physical impacts that could affect customers, suppliers, and service providers in the value chain were assessed as having low materiality.

On the opportunities side, those related to direct operational activities were also assessed as having low materiality.

It has been observed that short-, medium-, and long-term opportunities are primarily linked to risks and/or to potential new collaborations that may emerge within the evolving ecosystem.

All subsidiaries, both consolidated and unconsolidated, were included in the process of creating the risk and opportunity inventory. On the opportunity side, the increase in demand for advisory services on managing sustainability risks and opportunities, driven by strengthening climate regulations in national legislation, was assessed on a consolidated basis.

Yatırım Finansman, one of the Bank's subsidiaries, is subject to TSRS reporting. As it does not have risks and opportunities with a material impact on TSKB's financial performance, the scenario analysis outputs for its risks and opportunities are not separately addressed in this report. Yatırım Finansman shares the results of its scenario analyses for its material risks and opportunities in its own report.

Within the inventory, risks and opportunities with a material financial or strategic impact on the Bank's performance have been identified separately. The Bank's environmental, social, and climate-related risk evaluation tools—ERET, CRET, and the Heat Map methodologies—were used in the materiality analysis.

MANAGING ENVIRONMENTAL, SOCIAL, AND CLIMATE-RELATED RISKS AND OPPORTUNITIES IN LENDING ACTIVITIES

The Bank conducts analyses using a heat map and the Climate Risk Evaluation Tool (CRET) to assess the resilience of its loan portfolio to climate-related risks. Additionally, it assesses the environmental and social risks of all loans using the environmental and social risk evaluation tool.

The Bank analyzes the impact of each loan on its SBTi targets to determine the alignment of its financing structure. Loans are examined within the scope of long-term sustainable finance targets and the SDG Mapping Model. CRET scores, Heat Map results, and performance against SBTi targets are updated monthly in line with loan applications and presented to the Credit Committee to show their potential impact on the portfolio.

Thus, a current situation analysis is conducted for climate risks and opportunities, and the potential future impact on the portfolio is assessed within the framework of the targets. According to the climate risk assessments, sectors with high exposure to climate risks are closely monitored, and sector-specific scenario analysis studies are conducted. In the context of all these activities, the Bank aims to manage the environmental and social impacts of its portfolio and enhance its climate resilience.

ELEMENTS INTEGRATED INTO THE CREDIT ASSESSMENT AND DECISION-MAKING PROCESS

1. Environmental and Social Risk Evaluation Tool (ERET)
2. Climate Risk Evaluation Tool (CRET) – Heat Map
3. Portfolio Temperature Score Analysis
4. SDG Analysis

ENVIRONMENTAL AND SOCIAL RISK EVALUATION MODEL (ERET)

In 2005, to measure the environmental and social risks of investment projects, TSKB designed the Environmental and Social Risk Evaluation Tool (ERET) based on the standards of international development finance institutions and the Equator Principles, and began implementing it in 2007.

ERET assesses the risks of companies and investment loans in the portfolio from multiple perspectives, ranging from natural resources and water use to factors such as waste management, air quality, and emissions. Additionally, health and safety risks, land use, and impacts on cultural heritage and biodiversity are also examined. Other important elements included in the ERET assessment are monitoring and reporting practices for greenhouse gas emissions, as well as topics such as the ISO 14064 greenhouse gas management system and the ISO 50001 energy management system. This analysis identifies customers' environmental impacts and dependencies, determining areas where they are vulnerable to risks. Based on the results, areas for improvement are identified for customers where necessary, and a customized action plan is prepared for them. The gender sensitivity of the prepared plans and actions taken is also an important consideration. The Model, which is regularly reviewed, uses questions to rate companies' energy and water consumption and greenhouse gas emissions, and to assess projects' sensitivity to climate change-related risks.

ERET assessments are included as a notching criterion in the Bank's internal rating model. Thus, ERET results, through the internal rating system, are incorporated into expected credit loss calculations, shaping the Bank's financial position.

CLIMATE RISK EVALUATION TOOL (CRET)

The Bank developed CRET to assess climate risks in its credit decision-making processes, conduct comprehensive analyses, and support its development banking strategy. This tool separately scores the transition and physical risks of the investment and operating loans of customers in the portfolio.

The scores, classified into five main categories, are finalized by the Bank's experts based on the model's results, taking into account customers' adaptation capacity, current physical conditions, action plans, and strategies.

In developing CRET, support was received from Escarus and academic experts in climate and environmental risks. This system, launched as a pilot in 2021, was fully implemented in 2022 following improvements.

Transition risks are measured in accordance with UNEP FI methodologies. The risks that sectors classified by NACE codes may face during the transition to a low-carbon economy are assessed. It considers the sector's emission intensity, companies' awareness of environmental risks and opportunities, their emission reduction and adaptation efforts, and their future investment plans.

Physical risks are assessed for every sector in all regions of our country over the short, medium, and long term, considering nine different climate risks. The assessment study considered the IPCC's RCP 4.5 and RCP 8.5 scenarios. The Physical CRET calculates the final score by combining factors related to climate hazards, environmental dependencies, exposure, sensitivity, and adaptation capacity. The CRET results, which are integrated into decision-making processes by being considered in the Credit Committee, aim to identify climate-related risks at an early stage and to manage and mitigate their financial impacts. The tools used to measure climate risks have a dynamic structure that is constantly evolving internationally. TSKB continues to closely monitor relevant international innovations and best practices to enhance the effectiveness of the CRET methodology.

CRET Transition Risks

The Transition CRET assesses transition risks in line with UNEP FI methodologies, also incorporating the opinions of the Bank's experts. In this process, the Bank's sector experts analyze how sectors in the NACE classification, particularly those sensitive to climate change, will be affected by the transition to a low-carbon economy. During the assessment, factors such as companies' awareness of climate risks and opportunities, their emission reduction and adaptation efforts, and future investment plans are also taken into account. The Bank uses the final results to determine applicable action plans and considers them in

its risk management processes as well as in the implementation of its existing net-zero targets. The Bank is working to integrate carbon pricing studies into its transition risk assessment process.

Transition Risk Factors:

- Direct emission costs that may arise from political and regulatory developments
- Indirect emission costs that may arise from carbon pricing
- Changes in consumer behavior and revenue losses or gains
- Increased capital expenditures due to the transition to low-emission technology

CRET Physical Risks

Physical risks are operational threats faced by all sectors globally. The region and geographical conditions where companies operate play a critical role in determining their sensitivity to climate hazards and, consequently, the magnitude of the risk. The Physical CRET analyzes potential climate hazards that companies may face and their changes over time by assessing them at the regional and provincial levels.

For the RCP 4.5 and 8.5 scenarios from the Intergovernmental Panel on Climate Change (IPCC), which are frequently used in international studies, the Physical CRET assesses the nine different climate hazards listed on the side for two different periods, 2021–2040 and 2041–2060, separately for each sector in all provinces of our country.

The location-based data used in the physical risk module of CRET is obtained from the Climate Water Project of the Republic of Türkiye Ministry of Agriculture and Forestry and from global sources (data provided by Aqueduct, Copernicus, and NASA). The Physical CRET generates the final score by combining factors related to climate hazards, exposure, sensitivity, and adaptation capacity. Through this approach, the Physical CRET provides a detailed and comprehensive assessment for customers and credit projects, using two climate scenarios, two different periods, 81 different locations, various sectors, and adaptive capacity scoring. Based on the results, companies may be requested to provide action plans related to risk management. Additionally, the tools, models, and physical risk data sources used are continuously reviewed, and the CRET scoring model is updated as necessary.

Physical Risk Factors:

- Average Temperature Increase
- Meteorological Drought
- Severe Winds
- Heat Waves
- Wildfires
- Severe Precipitation and Flooding
- Water Stress
- Landslide
- Sea Level Rise

Transition Risks Heat Map

As of year-end 2025, 14.6% of the Bank’s total loan portfolio is in sectors with moderately high transition risk, and 7.6% is in sectors with high transition risk.

A significant portion of the sectors with moderately high transition risk includes iron and steel (EAF), chemicals, textiles, and paper/cardboard production.

Detailed analyses are conducted for sectors considered to have high transition risk, such as thermal power plants, natural gas combined-cycle power plants, iron and steel (BOF), cement, glass-ceramics, and petroleum and petrochemicals. In these sectors, scenario analyses are performed to determine how they will be affected by regulations and developing technologies, as direct and indirect emission costs, as well as additional investment and operating costs, are expected to arise.

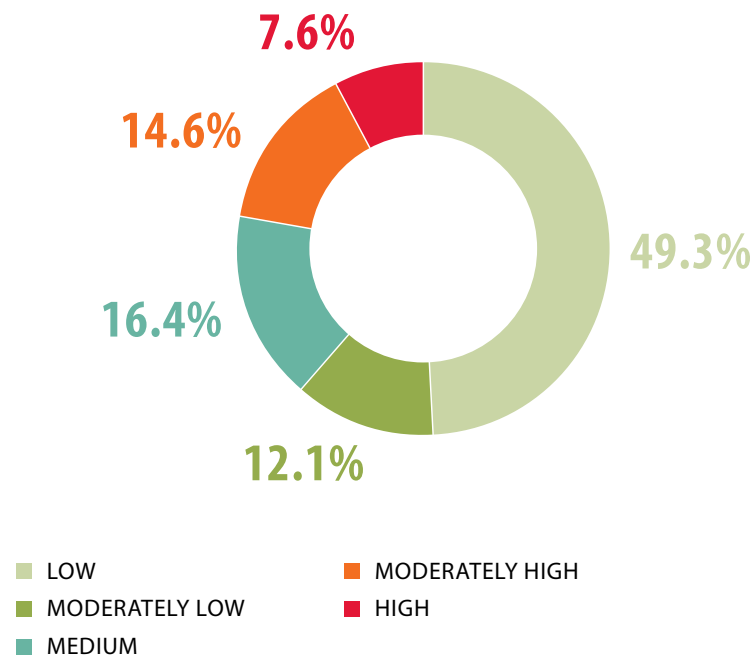
Sectors with Moderately High Transition Risk	Share (%)
Iron and Steel (EAF)	6.3%
Dyeing/Washing, Yarn/Twisting /Weaving	5.0%
Basic Chemicals	1.0%
Paper and Cardboard Production	0.8%
Fertilizer	0.7%
Production of Other Metals	0.7%
Road Transport	0.1%
Total	14.6%

Sectors with High Transition Risk	Share (%)
Cement	2.9%
Non-Renewable Power Generation	1.9%
Petroleum Products, Petrochemicals	1.2%
Iron and Steel (BOF)	1.1%
Glass-Ceramics	0.5%
Total	7.6%
Transition Total	22.2%

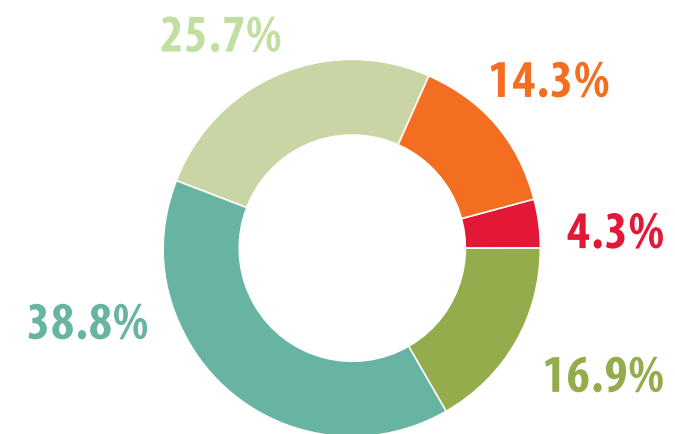
The fact that approximately 78% of the portfolio is exposed to low and medium levels of transition risk is considered a manageable risk level. The Bank closely monitors high-emission sectors indicated by the Heat Map’s results and conducts periodic analyses.

Additionally, companies’ exposure to transition risk and their risk-reduction actions are closely monitored, and we work with them both in financing potential emissions-reducing investments and in providing advisory services. The ratio of climate- and environment-related loans provided to firms assessed as high or moderately high risk is monitored monthly as an indicator of how risks in this area are managed. By the end of 2025, the power generation sector holds the largest share in TSKB’s loan portfolio at 30%, while 94% of the energy portfolio consists of renewable energy projects. An examination of TSKB’s loan portfolio shows that the energy sector has maintained its weight over the years.

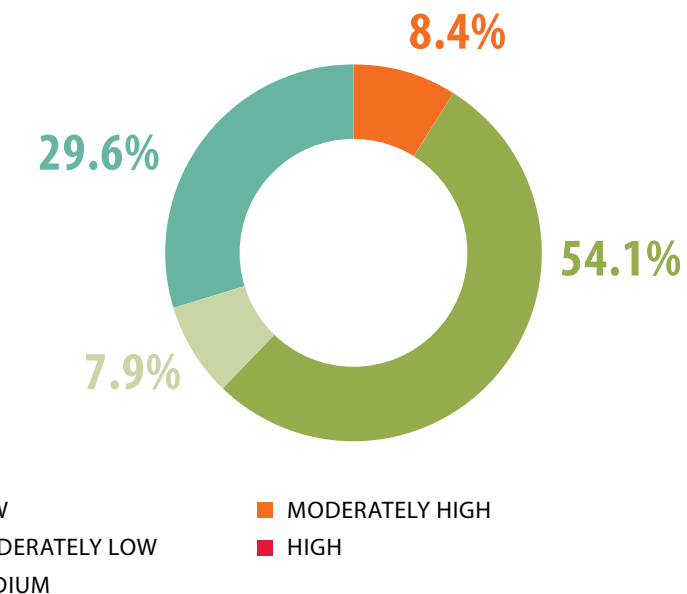
PORTFOLIO TRANSITION RISK DISTRIBUTION



PORTFOLIO CHRONIC PHYSICAL RISK DISTRIBUTION



PORTFOLIO ACUTE PHYSICAL RISK DISTRIBUTION



Physical Risk Heat Map

By the end of 2025, 17.8% of TSKB’s total loan portfolio consists of sectors exposed to moderately high physical climate risk, and 4.3% consists of sectors exposed to high physical climate risk.

Since approximately 78% of the portfolio falls into the low and medium physical climate risk categories, the overall physical risks in the portfolio are considered to be at a manageable level.

In the context of physical climate risks, an analysis of the portfolio’s CRET results has determined that the vulnerability in the operations and investments of companies posing high and moderately high risk is linked to water stress. When examining the effects of physical climate risks to which Türkiye is exposed on water resources, impacts are expected, particularly in the agricultural sector and in the water-intensive energy and industrial sectors. Some industrial sectors, such as power generation from fossil fuels, hydroelectric power generation, textiles, food and beverage, and iron and steel, are considered to have high physical risks due to the critical importance of water. In these sectors, there is a significant sensitivity to extreme climate events.

Through geographical concentration analyses for physical climate risks, the impact of high and moderately high-risk companies and investments on the portfolio is monitored holistically. The Bank periodically reviews the adaptation measures taken by companies in sectors with high physical climate risk and encourages them to take action. These risks are used in credit decision-making processes, and importance is given to collateral and insurance obtained for risk mitigation.

Sectors with Moderately High Physical Risk	Share (%)
Textiles	5.4%
Food and Beverage	4.1%
Electricity Distribution	3.5%
Non-Renewable	1.9%
Iron - Steel (BOF)	1.1%
Paper and Cardboard Production	0.8%
Mining (Other)	0.7%
Packaging	0.3%
Total	17.8%

Sectors with High Physical Risk	Share (%)
HPP	3.8%
Agriculture and Livestock	0.5%
Total	4.3%



TSKB Heat Map					
SECTOR		Risk Distribution (%) 31/12/2025	TRANSITION RISK	ACUTE PHYSICAL RISK	CHRONIC PHYSICAL RISK
Power Generation	WPP	13.2%	LOW	MEDIUM	MODERATELY LOW
	GPP	4.4%	MODERATELY LOW	MODERATELY LOW	MEDIUM
	SPP	5.4%	MODERATELY LOW	MEDIUM	MODERATELY LOW
	HPP	3.8%	MODERATELY LOW	MODERATELY HIGH	HIGH
	BPP	1.9%	MODERATELY LOW	MODERATELY LOW	MEDIUM
	Non-Renewable	1.9%	HIGH	MEDIUM	MODERATELY HIGH
Financial Institutions		7.0%	MODERATELY LOW		
Metals and Machinery	Iron & Steel (EAF)	6.3%	MODERATELY HIGH	MODERATELY LOW	MEDIUM
	Iron & Steel (BOF)	1.1%	HIGH	MODERATELY LOW	MODERATELY HIGH
	Other Metal Production	0.7%	MODERATELY HIGH	MODERATELY LOW	MEDIUM
	Aluminum (Secondary)	0.4%	MEDIUM	MODERATELY LOW	MEDIUM
	Machinery/Other Metals	0.0%	MEDIUM	MODERATELY LOW	MEDIUM
Other Services / Holding Companies		4.4%	MODERATELY LOW	MODERATELY LOW	MODERATELY LOW
Electricity Distribution		3.5%	MODERATELY LOW	MODERATELY HIGH	MODERATELY LOW
Natural Gas Distribution		1.8%	MODERATELY LOW	MEDIUM	MODERATELY LOW
Tourism		4.5%	MODERATELY LOW	MODERATELY LOW	MEDIUM
Chemicals	Petroleum Products, Petrochemicals	1.2%	HIGH	MODERATELY LOW	MEDIUM
	Basic Chemicals	1.0%	MODERATELY HIGH	MODERATELY LOW	MEDIUM
	Other Chemical Products	3.2%	MEDIUM	MODERATELY LOW	MEDIUM
Healthcare		4.0%	MODERATELY LOW	MODERATELY LOW	MEDIUM

■ LOW
 ■ MODERATELY LOW
 ■ MEDIUM
 ■ MODERATELY HIGH
 ■ HIGH

TSKB Heat Map					
SECTOR		Risk Distribution (%) 31/12/2025	TRANSITION RISK	ACUTE PHYSICAL RISK	CHRONIC PHYSICAL RISK
Construction/Construction Materials	Cement	2.9%	HIGH	MODERATELY LOW	MEDIUM
	Construction/Contracting	1.1%	MODERATELY LOW	MEDIUM	MEDIUM
	Glass-Ceramics	0.5%	HIGH	MODERATELY LOW	MEDIUM
	Other Building Materials	1.3%	MEDIUM	MODERATELY LOW	MODERATELY LOW
Textiles	Dyeing/Washing, Yarn/Spinning/Weaving	5.0%	MODERATELY HIGH	MODERATELY LOW	MODERATELY HIGH
	Apparel/Ready-to-Wear	0.3%	MEDIUM	MODERATELY LOW	MODERATELY HIGH
Food and Beverage		4.1%	MEDIUM	MODERATELY LOW	MODERATELY HIGH
Port Operations		2.6%	MODERATELY LOW		
Real Estate Development/Commercial Real Estate		2.0%	MODERATELY LOW		MEDIUM
Wholesale/Retail Trade and Merchandising		0.8%	MODERATELY LOW	MEDIUM	MODERATELY LOW
Paper and Cardboard Production		0.8%	MODERATELY HIGH	MEDIUM	MODERATELY HIGH
Other Manufacturing		4.0%	MEDIUM		
Fertilizer		0.7%	MODERATELY HIGH	MODERATELY LOW	MEDIUM
Batteries		0.8%	MODERATELY LOW		MODERATELY LOW
Maritime Transport		0.5%	MEDIUM	MODERATELY LOW	
Road Transport		0.1%	MODERATELY HIGH	MEDIUM	MODERATELY LOW
Automotive Sub-Industry		1.0%	MEDIUM	MODERATELY LOW	
Mining (Other)		0.7%	MEDIUM	MODERATELY HIGH	
Packaging		0.3%	MEDIUM		MODERATELY HIGH
Agriculture and Livestock		0.5%	MEDIUM	MODERATELY HIGH	HIGH
Automotive		0.0%	MODERATELY HIGH	MODERATELY LOW	
TOPLAM		100.0%			

■ LOW
 ■ MODERATELY LOW
 ■ MEDIUM
 ■ MODERATELY HIGH
 ■ HIGH

Portfolio Temperature Score Analysis

TSKB monitors on a monthly basis its SBTi-approved target for long-term corporate loans covering emissions-intensive industrial sectors such as iron and steel, cement, aluminium, and fertilizers, as well as other corporate loans in the industrial sector, which account for approximately 30% of its loan portfolio, and discloses its performance on an annual basis. In this context, the impact of portfolio changes on the Bank's targets is managed efficiently by closely monitoring customers' absolute emissions data and emission reduction plans. The effects of companies discussed in Credit Committee meetings on the portfolio's temperature score are evaluated on both a company-specific and portfolio-wide basis. Thus, the potential impact on the Bank's targets is also considered in credit decision-making processes. Projection studies conducted during the year analyze how the relevant target performance will evolve in future years, and customers with investment opportunities are identified. Details on the year-end 2025 temperature score analyses are provided in the Metrics and Targets section on page 234.

SDG Analysis

TSKB tracks the impact of its loans by mapping them to the SDGs through its SDG Mapping Model, developed in 2020. The SDG Mapping Model quantifies the climate and environment-focused impact of financed projects and sets long-term targets.

The climate- and environment-focused SDGs addressed by projects financed by TSKB are:

- No Poverty
- Zero Hunger
- Clean Water and Sanitation
- Affordable and Clean Energy
- Decent Work and Economic Growth
- Industry, Innovation and Infrastructure
- Sustainable Cities and Communities
- Responsible Consumption and Production
- Climate Action
- Life on Land

CLIMATE RESILIENCE AND SCENARIO ANALYSES

TSKB assesses the impact of climate risks on its balance sheet and closely monitors national and international best practices and developments on an ongoing basis. Scenario analyses are reviewed annually, with updates incorporating national and international developments. The scenario analyses conducted during the reporting period were updated accordingly.

The Bank continues to develop its methodologies and processes for measuring and monitoring the financial impacts of climate risks to ensure full compliance with the "Guide on the Management of Climate-Related Financial Risks," issued by the BRSA and effective as of July 2025.

The Bank evaluates various risk mitigation options to monitor and minimize its material climate-related risks. The Bank's sustainable finance targets, science-based emission reduction targets, 2050 net-zero and coal phase-out by year-end 2035 commitments, as well as the targets and policies published under our country's net-zero target, are addressed at a strategic level. While shaping its forward-looking loan portfolio in line with its net-zero target, the Bank also takes into account alignment with SBTi-approved emissions reduction targets in the investments it finances. In this context, it considers transition risks, emission reduction pathways, and sectoral transformation plans in its financing decisions for carbon-intensive sectors such as energy, cement, iron and steel, fertilizer production, and transportation.

Furthermore, TSKB considers alignment with its net-zero target not only as an area of environmental responsibility but also as a strategic priority for strengthening its social capital, including the sustainability of its financial capital, the competence and transformation capacity of its human resources, and its relationships and reputation with stakeholders. In this context, risks and opportunities related to natural capital are addressed in conjunction with the Bank's targets for its financial, social, human, intellectual, and manufactured capital, considering the supportive leverage of social and digital transformation, and are monitored through annual targets set based on the interaction between these areas. These disclosures and actions, which constitute a transition plan, are also supported by the reporting recommendations published by the Transition Plan Taskforce (TPT).

The Bank has strong relationships with development finance institutions, which are among the most important stakeholders in its value creation model, within the framework of long-term collaborations in sustainable finance. The Bank signs resource agreements with various institutions and collaborates on new themes such as renewable energy, energy and resource efficiency, reducing the impacts of climate risks, adaptation, the green transformation of earthquake-affected companies, climate change mitigation, the circular economy, and women's employment. These and similar resources play a strategic role in the Bank's capital management and provide a guiding framework for managing climate-related risks. Long-term themed funds obtained from development finance institutions enable the Bank to direct its capital toward sustainability and climate-focused investments, thereby reducing the impact of related risks on its balance sheet. This makes it possible to design a capital structure that reduces risks and creates opportunities.

This approach is aligned with the Bank's target of providing TL 213 billion in climate finance between 2024 and 2030, as well as its target of providing TL 640 billion in SDG-linked financing between 2021 and 2030, ensuring the systematic inclusion of sustainable development priorities in capital management.

Based on its 2025 Heat Map and CRET evaluations, TSKB has identified carbon pricing mechanisms and water stress as the primary transition and physical risks that may significantly affect its loan portfolio. Supporting customers' green transformations and financing climate change mitigation and adaptation investments are among TSKB's strategic focus areas, and these areas of risk are also considered opportunities.

The Bank capitalizes on opportunities in the green transformation and low-carbon economy through its sustainability-focused collaborations with funding providers. These strategic partnerships enable the Bank to effectively manage climate risks and opportunities and to contribute to its long-term sustainability goals. Additionally, developing strategies aligned with the focus areas of funding providers supports the Bank in achieving its financial targets.

The risk and opportunity scenarios created in this context are presented in the following section. There are no sustainability and climate-related risks and opportunities that pose a serious risk requiring a material adjustment to the carrying amounts of assets and liabilities reported in the financial statements in the next financial reporting period.

The risks and opportunities addressed in the previous reporting period, whose financial statement impacts did not exceed the materiality threshold, have been reassessed within the framework of studies conducted in the current reporting period. Based on these assessments, it was determined that the said risks and opportunities do not exceed the established materiality threshold in terms of financial impact; therefore, the scope of the report has been set to focus on risks and opportunities that do exceed the materiality threshold.

Financial Materiality

TSKB defines a material financial or strategic impact as an impact that could cause a significant operational, financial, or strategic change in the Bank's activities and identifies it to represent all sustainability-related risks and opportunities that could reasonably be expected to affect the Bank's future financial capacity.

As in the previous year, following analyses by the Risk Management, Budget Planning, and Climate Change and Sustainability Management departments, the Bank has identified any impact equivalent to 3% of its Tier I capital as a material impact, which was approved by senior management. The material impact threshold is based on capital levels and other regulatory thresholds that may change over time. The material impact threshold is assessed periodically, at least once a year, and is updated if deemed necessary, taking various business factors into account.

Portfolio Transition Risks and Opportunities

Description of the Risk:

The European Union (EU), with which Türkiye has close economic ties, aims to be climate-neutral by 2050. In line with this goal, the EU, which aims to implement stricter emission reduction policies, plans to steer its trading partners toward greener production practices through the Carbon Border Adjustment Mechanism (CBAM).

The EU ETS (Emissions Trading System) and CBAM aim to minimize carbon emissions, protect the EU's competitiveness, and prevent carbon leakage. The CBAM Regulation, published in May 2023, covers the iron and steel, cement, aluminum, fertilizer, electricity, and hydrogen sectors. The transitional period for CBAM began on October 1, 2023, during which importers are only expected to report emissions. Financial obligations began as of 2026, and importers are required to pay a certificate fee for each ton of emissions exceeding the threshold set in the regulation. The year-over-year reduction in permitted emissions suggests that companies may face higher financial liabilities.

In addition to the EU CBAM, which has entered its definitive period, the draft Regulation on the Türkiye Emissions Trading System (ETS)—mandated for establishment by Climate Law No. 7552 dated July 2, 2025, and published by the Directorate of Climate Change on July 22, 2025—was also included in the scope of the scenario analysis during the reporting period.

According to the draft regulation, although allowances will be distributed 100% free of charge during the 2026–2027 pilot period, companies will be required to purchase allowances for the greenhouse gas emissions for which they are responsible once the first implementation period begins in 2028. This obligation will create additional costs for companies covered by the ETS, on top of CBAM.

If companies in TSKB's loan portfolio do not incorporate the obligations arising from CBAM and the National ETS into their business plans and strategies and fail to manage the risk effectively, this risk could first be reflected in the companies' financial performance, thereby increasing the severity of the impact on the Bank. In such a case, the Bank may increase its provision rates as part of its effective and prudent risk management. If no action is taken by the companies to mitigate this risk, which would affect profitability and asset quality, the Bank's cost of credit risk could increase, and its capital could be adversely affected.

The scenario analysis, which was based on the IEA Net Zero 2050 Scenario last year, was updated during the reporting period in line with the IEA Announced Pledges Scenario. As the CBAM and the national ETS, identified as transition risks, are concrete regulations that have either entered into force or are expected to, the climate scenario used was re-evaluated, and it was deemed appropriate to proceed with the IEA Announced Pledges Scenario.

Transition Risk	Assumptions	Type of Potential Financial Impact - Impact of the Risk on Financial Position, Performance, and Cash Flows	Ratio of Vulnerable Assets to the Bank's Portfolio	Scenario
<p>Policy and Regulatory Risk: Carbon Pricing Mechanisms</p> <p>Area of Concentration in the Value Chain: Downstream - Bank Portfolio</p> <p>Term for Material Financial Impact: Medium and Long</p> <p>Location: Türkiye</p>	<p>In the scenario analysis study, customers in the relevant sectors were classified according to the products they manufacture. Based on emission thresholds and the IEA Announced Pledges Scenario, financial obligations that will arise by 2034 were taken into account and projections were made. The potential impacts of the CBAM and the National ETS on company balance sheets were examined, and the impact on the Bank was calculated, considering the companies' credit ratings and temperature scores affected by their emission reduction targets.</p>	<p>Initially, the impact on customers' cash flows and financial performance, if no action is taken, will lead to an increase in the probability of default for loans and in expected credit loss provisions at the Bank.</p>	<p>According to 2025 data, the sectors in the Bank's portfolio covered by the CBAM are cement, iron and steel, aluminum, and fertilizer, which account for 11% of the portfolio.</p>	<p>IEA Announced Pledges Scenario</p>

Transition Risk	Projected Financial Impact	Actions Taken to Mitigate the Risk
<p>Policy and Regulatory Risk: Carbon Pricing Mechanisms</p> <p>Area of Concentration in the Value Chain: Downstream - Bank Portfolio</p> <p>Term for Material Financial Impact: Medium and Long</p> <p>Location: Türkiye</p>	<p>According to projections for the year-end 2025 portfolio, if current conditions continue without any additional measures, the impact of the CBAM on TSKB is expected to exceed the materiality threshold by approximately TL 341 million as of 2030. This impact will affect the expected loss provisions in the consolidated balance sheet and the expected loss provision expenses in the consolidated statement of profit or loss. In the current period, the related risk did not have a material impact on the Bank's financial performance. In the scenario analyses conducted for the year-end 2024 portfolio, the impact of the CBAM on TSKB was projected to exceed the materiality threshold by approximately TL 140 million as of 2030. The main reason for the difference in the scenario analysis results for the two years was identified as the inclusion of the National ETS in the scenario and the increase in carbon prices in the updated international scenarios. Considering that obligations arising from the CBAM and the National ETS are expected to increase in the future, the material financial impact of the risk on the Bank will continue to be seen in the medium and long term.</p>	<p>In line with its development mission, TSKB closely monitors investments and customers from the decision-making stage throughout the loan processes using internal environmental, social, and climate-focused risk assessment tools such as ERET and CRET, and periodically conducts environmental, social, and climate-related risk assessments. On the other hand, national and international developments are closely followed, strong communication is established with customers, and support is provided for green transition through both TSKB Advisory Services and its subsidiary Escarus, which specializes in sustainability consulting, in areas where companies may need and can show improvement. Given that the obligations of the CBAM and the National ETS will have varying levels of impact on companies depending on their financial situations, it is expected that TSKB's customers with high financial strength and robust climate change strategies will maintain their resilience to these obligations by investing to reduce and manage their embedded emission costs. Accordingly, the Bank provides mitigation loans to meet the financing needs of companies. Increased demand and customer needs were influential in the Bank's decision in 2025 to update its climate finance target from TL 140 billion for the period from the beginning of 2024 to the end of 2030 to TL 213 billion.</p>

Description of the Opportunity:

The financing needs arising from increased awareness and defined action plans in companies enhance the Bank's capacity to respond to these risks while also creating an area of opportunity. The loans provided in this context will increase customers' capacity to comply with the CBAM and the National ETS, thereby reducing the severity of the risk's impact on company balance sheets. This is expected to have a downward effect on the non-performing loans ratio and the net cost of credit risk, positively impacting the Bank's capital and profitability.

Through its dynamic business model aligned with national policies, TSKB anticipates that expected developments on the public side will rapidly increase opportunities in this area in the coming period. In particular, developments such as the National Green Taxonomy Regulation and regulations for establishing an Emissions Trading System, which are expected to come into force following the Climate Law, will accelerate TSKB's ability to effectively capitalize on collaboration opportunities with both its existing portfolio companies and potential customers.

In the scenario analysis for the transition opportunity, the main change from the previous year in the reporting period is the reflection in the analysis of the upward revision of the climate finance target from TL 140 billion to TL 213 billion.

Transition Opportunity	Type of Potential Financial Impact - Impact on Financial Position, Performance, and Cash Flows	Projected Financial Impact	Actions Taken to Capitalize on the Opportunity	Assets Aligned with the Opportunity
<p>Opportunity Type: Increased Revenue from Existing Products and Services</p> <p>Area of Concentration in the Value Chain: Downstream - Bank Portfolio</p> <p>Term for Material Financial Impact: Medium</p> <p>Location: Türkiye</p>	<p>Increased revenue from rising demand for climate and environment-focused collaborations and lending activities</p>	<p>It has been determined that the net interest income from climate-related loans will cumulatively exceed the materiality threshold by approximately TL 1 billion in the target year of 2030. The income generated from related loans in the current year is TL 522 million. In the scenario analyses conducted at the end of 2024, the financial impact was projected to exceed the materiality threshold by approximately TL 140 million in 2030.</p>	<p>TSKB provides climate risk mitigation and adaptation-themed loans, such as for energy and resource efficiency and the circular economy, to meet the financing needs of companies. In August 2024, the Bank's Sustainable Finance Framework was updated to include a transition finance, a first in Türkiye. As of year-end 2025, 57% of the loans extended to CBAM sectors are aligned with these themes. More than 80% of the funds obtained from Development Finance Institutions are climate and environment-related. In line with the strategic focus of these fund providers, the increased demand and changing customer needs were influential in setting a target to provide TL 213 billion in climate finance from the beginning of 2024 to the end of 2030. The loans provided under this target will strengthen TSKB's asset quality and positively impact its net profit and capital. The Bank, which has a 59% ratio of climate and environment-focused SDG-linked loans in its portfolio as of year-end 2025, aims to increase this ratio to 60% or more by 2030. In this regard, the Bank may revise its targets as it has in the past and establish new targets for changing and developing focus areas. Developments in the ecosystem present a significant opportunity for the Bank's subsidiaries, Escarus and TSKB Gayrimenkul Değerleme, which provide sustainability consulting and green building valuation services, to expand their impact. The increase in subsidiary revenues will positively affect the Bank's consolidated balance sheet.</p>	<p>As of year-end 2025, 57% of the loans extended to CBAM sectors are aligned with the aforementioned themes.</p>

PORTFOLIO PHYSICAL RISKS AND OPPORTUNITIES

Description of the Risk:

Water stress is considered one of the significant climate risks for Türkiye. Scenario studies for 2021-2040 and 2041-2060 periods, based on RCP 4.5 and RCP 8.5 scenarios, indicate that Türkiye faces a high risk of water stress. Furthermore, it is expected that water scarcity will become significantly widespread in our country by the 2030s. In light of these developments, it is anticipated that the effects of water stress will begin to materialize for the companies in the Bank's portfolio in the medium term.

30% of the Bank's portfolio consists of sectors that are operationally dependent on water, such as power generation, chemicals and plastics, metals and machinery, construction and building materials, food and beverage, paper and forest products, textiles and leather, and tourism. In the reporting period, the scope of sectors was expanded from the 2024 scenario analysis, as indicated by the CRET results. When these sectors experience difficulties in accessing water, customers may face production disruptions, or some companies may have to halt their operations. Customers unable to continue their operations may face difficulties in repaying their loans. This situation could lead to an increase in the Bank's non-performing loan ratio, provision rates, and consequently, the cost of credit risk, which could have adverse effects on profitability and capital adequacy.

Physical Risk	Assumptions	Type of Potential Financial Impact - Impact of the Risk on Financial Position, Performance, and Cash Flows	Ratio of Vulnerable Assets to the Bank's Portfolio	Scenario
<p>Chronic Physical Risk: Water Stress</p> <p>Area of Concentration in the Value Chain: Downstream - Bank Portfolio</p> <p>Term for Material Financial Impact: Medium and Long</p> <p>Location: Türkiye</p>	<p>In the scenario analysis study, water-dependent customers in the TSKB portfolio were classified by sector, and potential production decline rates due to water needs were determined. The assumptions regarding potential production declines were made considering the outputs of RCP 8.5 scenario, companies' credit ratings, their roadmaps to address water stress, and the adaptation investments they have made or planned. As indicated by RCP 8.5, water stress is expected to affect the financial performance of the Bank's portfolio in the medium term, with these effects projected to become particularly evident in 2030.</p>	<p>Primarily, the impact on customers' cash flows and financial performance, if no action is taken, will lead to an increase in the probability of default for loans and in expected credit loss provisions at the Bank.</p>	<p>According to 2025 data, in the Bank's portfolio, the sectors operationally dependent on water are food and beverage, iron and steel, textiles, thermal power plants, hydroelectric power plants, cement, mining, and automotive, which account for 30% of the portfolio.</p>	<p>IPCC RCP 8.5</p>

Physical Risk	Projected Financial Impact	Actions Taken to Mitigate the Risk
<p>Chronic Physical Risk: Water Stress</p> <p>Area of Concentration in the Value Chain: Downstream - Bank Portfolio</p> <p>Term for Material Financial Impact: Medium and Long</p> <p>Location: Türkiye</p>	<p>When projections based on current conditions are evaluated, the impact of water stress on the Bank in 2030 is expected to exceed the materiality threshold by approximately TL 28 million. This impact will affect the expected loss provisions in the consolidated balance sheet and the expected loss provision expenses in the consolidated statement of profit or loss. In the current period, the related risk did not have a material impact on financial performance. In the analyses conducted for the year-end 2024 portfolio, the impact of water stress on the Bank in 2030 was projected to exceed the materiality threshold by approximately TL 105 million. The main reason for the difference in the scenario analysis results for the two years was identified as the change in portfolio composition and risk exposure level following the integration of the results from the Climate Risk Evaluation Tool (CRET). Considering that the effects of water stress are expected to increase after the 2030s according to IPCC scenarios, the material financial impact of the risk on the Bank will continue to be seen in the medium and long term.</p>	<p>Companies are affected by water stress at different levels depending on their financial situation and the adaptation measures they take. Through the environmental, social, and climate-related risk assessment tools integrated into TSKB's loan processes, customers' locations, sectors, and production processes are analyzed in depth to identify their level of water dependency and the resulting risks. With the Circular Economy Self-Assessment Tool, which the Bank developed in 2022 as part of a loan agreement, it evaluates customers' circular business models and supports their improvement through action plans identified from gap analyses. Reducing water withdrawal from the source, circular use of water resources, and developing strategies in this context are among the action plans of the tool. In this context, technical support is provided to customers who want to improve their adaptation capacity and transform their business processes, both through the Bank's advisory services business line and its subsidiary Escarus, which also offers water management consulting. In addition, AdapTool, developed in 2025 as part of a climate adaptation-themed financing agreement, analyzes companies' exposure to physical climate risks, including water stress, for their facilities at specific locations, the operational and financial impacts of these risks, and their current adaptation capacity. The assessment results provide companies with concrete and applicable roadmaps by identifying priority investment areas and feasible adaptation measures for each risk category. While the development of circular water use and strategic water management approaches are among the priority topics of these plans, inter-sectoral applicable measures such as rainwater harvesting, greywater recycling, treatment and reuse of process wastewater, and optimization of water consumption with automatic control systems are encouraged; furthermore, more detailed technical measures and investment needs specific to the sector and facility are also analyzed. More than 80% of the funds obtained from Development Finance Institutions are climate and environment-related. In line with the strategic focus of these fund providers, the increased demand and changing customer needs were influential in setting a target to provide TL 213 billion in climate finance from the beginning of 2024 to the end of 2030. This target also covers the adaptation theme, which will be one of the Bank's main focus areas in the coming period.</p>

Description of the Opportunity

Loans to be extended under the adaptation theme, which will continue to be one of the Bank's main focus areas in the coming periods, will increase companies' capacity to adapt to water stress and reduce operational risks based on potential disruptions to their balance sheets. This will positively affect the Bank's provision rates, the credit quality of its non-performing loans, and consequently its cost of credit risk and return on equity levels, while also contributing to more efficient use of water resources and supporting environmental sustainability.

In line with Türkiye's 2053 Long-Term Climate Strategy, it is anticipated that investments in techniques and technologies that provide water efficiency will increase in the coming period with the Water Efficiency Regulation published in the Official Gazette in December 2024.

In the scenario analysis for the physical opportunity, the main change from the previous year in the reporting period is the reflection in the analysis of the upward revision of the climate finance target from TL 140 billion to TL 213 billion.

Physical Opportunity	Type of Potential Financial Impact - Impact on Financial Position, Performance, and Cash Flows	Projected Financial Impact	Actions Taken to Capitalize on the Opportunity	Assets Aligned with the Opportunity
<p>Opportunity Type: Increased Revenue from Existing Products and Services</p> <p>Area of Concentration in the Value Chain: Downstream - Bank Portfolio</p> <p>Term for Material Financial Impact: Medium</p> <p>Location: Türkiye</p>	<p>Increased revenue from rising demand for climate and environment-focused collaborations and lending activities</p>	<p>As a result of the analyses conducted, by 2030, the net interest income generated from loans for water stress adaptation is projected to cumulatively exceed the materiality threshold in the target year of 2030 by approximately TL 312 million. As of year-end 2025, the ratio of climate finance extended to water-dependent sectors in their production processes, which are subject to scenario analysis, is 1% of the Bank's portfolio. These loans, which support the Bank's profitability, will protect asset quality while making a positive contribution to capital. In the scenario analyses conducted at the end of 2024, the net interest income generated from the loans to be extended was projected to exceed the materiality threshold by approximately TL 70 million.</p>	<p>TSKB, which has a 59% ratio of climate- and environment-focused SDG-linked loans in its portfolio as of year-end 2025 and aims to increase this ratio to 60% or more by 2030, will continue to provide financing support for projects that increase water efficiency and will prioritize solutions that promote sustainable water management in industrial sectors. While supporting the industrial sectors' compliance with the Water Efficiency Regulation, long-term value will be created by providing awareness-raising activities, technical guidance, sustainable financing instruments, and advisory services to increase the resilience of customers operating in sectors facing water stress.</p>	<p>As of year-end 2025, the ratio of climate finance extended to water-dependent sectors in their production processes, which are subject to scenario analysis, is 1% of the Bank's portfolio.</p>

RISK MANAGEMENT

TSKB implements its sustainability-related risk management framework, including climate-related risks, in line with the principles defined in national and international regulations and best practices. The Bank closely and continuously follows relevant regulations and developments.

As detailed in the Strategy section, TSKB continuously carries out processes for identifying, assessing, prioritizing, and monitoring its sustainability-related risks and opportunities, including climate, through the tools it has developed and the analyses it periodically conducts. The ERET, which focuses on environmental and social risks and opportunities, and the CRET, which assesses climate risks, along with the SDG and temperature score analyses conducted, ensure that the sustainability dimension is included in the Bank's existing risk management processes. During the reporting period, as in the previous year, the results of the tools and analyses were presented to the Credit Committee on a monthly basis. Thus, sustainability-related risks, including climate-related risks, are addressed together with other risk types in the decision-making processes for the Bank's lending activities.

The Bank periodically assesses the impact, nature, probability, and magnitude of its sustainability-related risks and opportunities, including climate, and also considers the views of internal and external stakeholders in these studies.

The expectations set forth in the BRSA's "2025–2028 Strategic Plan" and in the "Communiqué on the Calculation of Banks' Green Asset Ratio" and the "Guidance on the Management of Climate-Related Financial Risks," published during the reporting period in April and July, respectively, have guided the Bank's operations throughout 2025. In this context, significant progress has been made in efforts to integrate these expectations into risk policies, the risk appetite framework, and capital allocation processes through a phased approach, taking into account the maturity level of the data infrastructure, methodological development, and applicability.

Efforts have been planned and implemented to ensure full compliance with the "Guideline on the Management of Climate-Related Financial Risks," which was prepared by the BRSA based on the principles in the Basel Committee's June 2022 document "Principles for the Effective Management and Supervision of Climate-related Financial Risks" and came into effect in July 2025.

The heat map studies, CRET analyses, and scenario analyses conducted to assess the sustainability-related risks, including climate, of the Bank's loan portfolio are presented to the Board of Directors, Risk Committee, and Audit Committee as part of the annually prepared Internal Capital Adequacy Assessment Process (ICAAP) report.

Management roles and responsibilities for sustainability-related risks, including climate, have been integrated into the relevant business areas. These roles and responsibilities are structured in line with the Bank's risk management framework and the three lines of defense approach. In the first line, the relevant business units are responsible for the identification and initial assessment of risks. The second line carries out monitoring and control activities, while the third line performs the internal audit function.

In the first line of the three lines of defense approach, the Climate Change and Sustainability Management (CCSM) Department, along with relevant business units and management bodies, assesses loan applications for climate risks in terms of credit portfolio-related risks, examines the extent to which building operation activities are affected by climate risks within the scope of operational risks, and addresses climate-related risks with a holistic approach within the balance sheet management framework. These units conduct risk assessments in line with their areas of expertise as the first line of risk management.

In the second line, the Sustainability Committee, with the active participation of the Board of Directors and the Executive Committee, addresses business plans and activities to be carried out in line with the Bank's sustainability strategy, vision, and targets, particularly concerning risks and opportunities arising from climate change. The Risk Management Department carries out activities related to the systems required for risk management processes, monitors the compliance of risks with policies, standards, and the Bank's limits, and reports to the Board of Directors through the Audit Committee. Risks arising from climate change are included in the risk management processes within the Bank's risk appetite framework. The Internal Control Department performs second-level control activities within the scope of the standards set for climate risks. Issues identified during controls are regularly reported to the Audit Committee.

In the third line, all activities, including the management of climate risks, are audited by the Internal Audit Board, which operates under the Audit Committee composed of Board of Directors members, within an independent structure.

The Bank's Risk Appetite Statement specifies that, under its Climate Change Mitigation and Adaptation Policy, it will not finance new coal-fired thermal power plants or capacity expansions, nor coal mining investments for electricity generation. In addition, the Bank regularly monitors concentration limits to track its current climate risk exposure. Furthermore, in line with its SBTi targets, the Bank has committed to completely phasing out coal financing by the end of 2035. This approach reflects the Bank's strategy to reduce its risk appetite for transition risks.

The Bank monitors and manages its loan portfolio's exposure to climate change transition risk and identifies potential risk concentrations in carbon-intensive sectors at an early stage by classifying and monitoring its customers according to their transition risk levels. In this context, the share of customers operating in high and medium-high transition risk sectors within the portfolio, the level of risk concentration, and its evolution over time are regularly tracked through the Climate Risk Evaluation Tool and the Heat Map, and reported to the Senior Management and the Audit Committee by the Risk Management Department. TSKB has additional monitoring mechanisms for customers operating in high transition risk sectors. In this context, the portfolio share of disbursements to customers with high transition risk is monitored within the risk management framework, taking into account their progress in the green transition and their greenhouse gas emission reduction targets.

METRICS AND TARGETS

GREENHOUSE GAS EMISSIONS MANAGEMENT

TSKB has been measuring its carbon footprint since 2006 and has been supplying its electricity needs from renewable energy sources for its operations since 2009. To ensure the reliability of its efforts, the Bank has been conducting its work in accordance with the ISO 14064-1 Greenhouse Gas Accounting and Verification Standard since 2012, and has been offsetting all its direct and indirect emissions, excluding financed emissions, by purchasing carbon credits. In 2024, in addition to the ISO 14064-1 standard, calculations were performed in accordance with the GHG Protocol's reporting standards and verified under TSRS. During the reporting period, the Bank expanded its consolidated emissions to include the indirect emissions of its subsidiaries, in addition to the previous year.

In 2021, the Bank reviewed its portfolio and began calculating its indirect emissions to include emissions from financed projects in carbon-intensive sectors such as thermal power plants, iron and steel, cement, and aluminum.

In 2024, the calculation efforts covered 35.4% of the loan portfolio and 91% of the carbon-intensive sectors in the portfolio. During the reporting period, the Bank calculated emissions from 50.3% of its loan portfolio and 94% of

the carbon-intensive sectors in the portfolio, and expanded the scope of its financed emissions calculations by including emissions from corporate bonds, its own funds, and affiliates. Emissions from carbon-intensive sectors in the loan portfolio constitute 88% of the Bank's total calculated financed emissions. The Partnership for Carbon Accounting Financials (PCAF) methodology, recommended by the SBTi, was used for the calculations.

Primary emission and consumption data obtained from customers were used as the data source. The Bank prioritizes the use of primary-quality data in its financed emissions calculations for tracking target achievement. Therefore, emissions from investments where access to quality data is not possible are excluded from the scope.

The data quality of the portfolio was assessed according to the PCAF methodology's data quality scoring system. According to the scoring system, 89% of the collected data are verified and of the highest quality, while 10% are declared emission values of the second-highest quality that were reported without any verification. The Bank aims to expand the calculation scope of its portfolio emissions and improve data quality, and continues its efforts in this regard.

TSKB Greenhouse Gas Emissions (Solo)*						
Scopes	Emission Sources	2021 (Base Year)	2022	2023	2024	2025
Scope 1 Direct GHG Emissions	Stationary Combustion, Mobile Combustion, Fugitive Emissions	449	411	343	422	402
Scope 2 Indirect Greenhouse Gas Emissions	Electricity - Market-Based	0	0	0	0	0
	Electricity - Location-Based	494	624	531	515	482
	Purchased Goods and Services	139	225	389	550	663
Scope 3 Other Indirect Emissions**	Capital Goods	34	96	145	154	157
	Business Travel	47	115	163	260	394
	Employee Commuting	130	80	91	108	112
	Investments	2,748,096	2,632,903	2,089,349	1,266,435	1,815,924
TOTAL MT CO ₂ e***		2,748,895	2,633,830	2,090,481	1,267,930	1,817,653

*TSKB's solo emissions were verified in accordance with ISO 14064-1 and ISO 14064-3 criteria. The uncertainty for Scope 1 was calculated as 2.50%, and for Scope 3 it was 8.60%. The assurance level is reasonable for Scope 1 and limited for Scope 3. In addition to ISO standards, the Bank's emissions were reported and verified in accordance with the GHG Protocol under the TSRS. The activity data used to calculate emissions from the Bank's operational activities are based on primary data, while the emission factors are based on international emission factor databases such as IPCC, Defra, and ADEME. The Türkiye-wide Electricity Generation Emission Factor published by the Ministry of Energy and Natural Resources was used to calculate Scope 2 location-based emissions.

**TSKB Scope 3 emissions include employee shuttle services and remote work, business travel, purchased goods and services, capital goods, and investments. Transportation of purchased stationery and office supplies, employee commutes by ferry, purchased paper and plastics, desktop computers, phones and tablets, disposal of domestic waste, and courier services were excluded from the scope as they fell below the materiality level according to the prioritization analysis. In the 2025 reporting year, total Scope 3 emissions are 1,817,251 tCO₂e. Total indirect emissions, excluding financed emissions, are 1,327 tCO₂e. In 2025, the ratio of loan portfolio companies included in the calculation scope to the total portfolio increased from 35% to 50% compared to 2024. In addition to the loan portfolio, emissions from private sector bonds, funds that are 100% owned by the bank, and affiliates are also included in the scope of the calculation.

***The majority of TSKB's emissions are attributed to financed emissions. Total emissions, excluding financed emissions, are 1,729 tCO₂e. Total greenhouse gas emissions, excluding financed emissions, will be offset by purchasing carbon credits during the year.

Greenhouse Gas Emissions of TSKB, its Subsidiaries, and Affiliates								
	2024 Scope 1 (tCO ₂ e)	2025 Scope 1 (tCO ₂ e)	2024 Scope 2 - Market-Based (tCO ₂ e)	2025 Scope 2 - Market-Based (tCO ₂ e)	2024 Scope 2 - Location-Based (tCO ₂ e)	2025 Scope 2 - Location-Based (tCO ₂ e)	2024 Scope 3 (tCO ₂ e)	2025 Scope 3 (tCO ₂ e)
TSKB	422	402	0	0	515	482	1,267,508	1,817,251
Parent Company and Consolidated Subsidiaries	522	595	0	671	680	820	1,267,508	1,818,440
Unconsolidated Subsidiaries	106	120	16	3	16	3	-	129
Consolidated Emissions*	628	715	16	673	696	1,304	1,267,508	1,818,569
Affiliates**	-	470	-	137	-	185	-	-

*Calculated based on the operational control approach; Scope 1, 2, and 3 emissions of unconsolidated subsidiaries are also included in consolidated emissions.

**Emissions from affiliates are assessed under Scope 3, Category 15 (Investments).



Loans*					
Financed Emissions (with PCAF Methodology, tCO ₂ e)				Emission Intensity (tCO ₂ e/USD million)	
Corporate Loans					
Sector**	Share in the 2025 Loan Portfolio	2024	2025	2024	2025
Cement	2.34%	199,822.52	756,741.63	6,783.52	5,849.19
Iron and Steel	7.35%	182,482.18	353,208.40	527.29	868.85
Power Generation	0.54%	341,757.83	74,205.47	6,439.79	2,491.86
Coal***	0.54%	341,757.83	74,205.47	6,439.79	2,491.86
Fertilizer	0.00%	-	-	-	-
Aluminum	0.37%	1,809.14	1,342.50	90.39	65.70
Commercial and Residential Real Estate	0.09%	35.47	785.65	37.28	11.91
Transportation	0.00%	-	-	-	-
Oil and Gas	0.00%	-	-	-	-
Agriculture	0.00%	-	-	-	-
Chemicals and Plastics	4.51%	27,766.25	73,406.08	204.06	294.13
Textiles and Leather	3.55%	4,041.87	20,899.53	62.03	106.46
Mining	0.20%	-	17,441.03	278.76	1,581.93
Construction and Building Materials	1.32%	342.53	15,295.82	30.82	209.94
Food and Beverage	2.27%	7,406.26	10,746.18	106.13	85.52
Paper and Forest Products	1.45%	9,452.71	7,914.10	121.26	98.63
Metal and Machinery	0.52%	-	6,954.00	-	240.83
Fuel and Energy Distribution	0.92%	-	3,055.55	-	60.08
Tourism	0.69%	1,376.12	2,642.96	37.25	69.05
Logistics	1.56%	3,037.79	2,547.28	33.92	29.56
Packaging	0.15%	335.40	1,083.08	105.98	131.48
Healthcare	1.53%	-	87.64	-	4.71
Automotive and Sub-Industry	0.61%	867.97	741.57	80.40	22.00
Electromechanical	0.44%	219.70	429.07	16.86	17.47
Finance	4.61%	74.35	77.22	1.24	0.30
Holding	0.00%	294.71	-	29.07	-

* Emissions from undrawn loan commitments were not included in the calculations for the reporting period. During the reporting period, total equity and debt values were used in the emissions calculations for publicly listed companies.

**Sector breakdowns, primarily for carbon-intensive sectors, are monitored in emissions reporting with more detailed subcategories than the sectoral distributions of the Bank's loan portfolio presented in the Bank's financial results presentations.

***TSKB's portfolio companies operating in the coal sector are coal-fired thermal power plants that generate electricity. The relevant data are provided in both the power generation sector category and the coal category.

Loans*					
Financed Emissions (per PCAF Methodology, tCO ₂ e)				Emission Intensity (tCO ₂ e/USD million)	
Project Finance					
Sector**	Share in the 2025 Loan Portfolio	2024	2025	2024	2025
Power Generation	1.36%	184,020.20	219,690.48	3,290.34	2,928.31
Coal***	1.00%	178,719.77	194,279.55	3,377.54	3,520.94
Cement	0.46%	180,211.44	111,974.02	6,203.19	4,431.61
Fertilizer	0.68%	47,329.86	75,569.65	1,156.03	1,997.42
Real Estate	1.83%	3,523.95	1,306.82	74.24	12.93
Aluminum	0.01%	-	156.95	-	232.39
Transportation	0.02%	16.78	12.26	9.32	9.03
Oil and Gas	0.00%	-	-	-	-
Agriculture	0.00%	-	-	-	-
Electromechanical	0.73%	35,521.95	23,290.11	979.12	580.00
Fuel and Energy Distribution	1.73%	6,309.46	9,589.47	144.22	100.16
Textiles and Leather	0.63%	-	7,183.62	-	206.33
Healthcare	1.77%	12,144.04	6,294.98	214.07	64.46
Logistics	3.91%	4,411.58	3,033.74	33.93	14.04
Chemicals and Plastics	0.09%	4,548.92	2,460.78	605.22	491.04
Mining	0.25%	4,627.89	922.61	278.76	65.67
Tourism	1.81%	577.94	422.20	6.50	4.23
Holding	0.09%	2,068.12	154.38	49.70	30.46

* Emissions from undrawn loan commitments were not included in the calculations for the reporting period. For the reporting period, total equity and debt values were used in the emission calculations for publicly traded companies.

**For more effective emissions management, particularly in carbon-intensive sectors, the sector breakdowns used for emissions reporting are monitored in more detail, using sub-breakdowns, than the sectoral distributions of the loan portfolio presented in the Bank's financial results presentations.

***Within the Bank's portfolio, companies operating in the coal sector are thermal power plants that generate electricity from coal. The relevant data is presented both in the power generation sector and separately in the coal category.

Other Financial Assets*					
Financed Emissions (per PCAF Methodology, tCO ₂ e)				Emissions Intensity (tCO ₂ e/million USD)	
Asset Class	2024	2025	2024	2025	
Private Sector Bonds	-	3,853.57	-	403.47	
Funds**	-	252.19	-	10.69	
Affiliates	-	151.37	-	25.68	

*The Bank has included all private sector bonds in which it has invested, all companies in the Türkiye Green Fund, and all affiliates included in the consolidated financial report in its calculations.

**Türkiye Green Fund



TARGETS

In 2022, TSKB became a signatory to the UNEP FI Net-Zero Banking Alliance (NZBA) and set a target to achieve net-zero emissions by 2050. In this regard, TSKB has established its Near-Term Science-Based Targets for Scope 1, 2, and 3 emission reductions in line with SBTi guidelines. The Scope 3 targets approved by the SBTi also form the basis for the 2030 interim targets declared in line with NZBA guidelines. As part of its net-zero commitment, the Bank plans to reduce its greenhouse gas emissions as much as possible by 2050 and to offset its emissions by purchasing carbon credits where reduction to zero is not possible.

In 2025, the NZBA abolished its membership system and ended its commitments and mandatory obligations; however, it continued to publish guidance documents, allowing its recommendations to be implemented on a voluntary basis. Maintaining its determination to achieve its net-zero commitment, TSKB will continue its efforts to align its portfolio with net-zero targets by following the NZBA's recommendations.

The Bank, which integrates its efforts to measure and reduce its impacts on climate change into its business processes, calculates the emissions resulting from its lending activities.

Scope 1 and 2 emissions cover the Istanbul Headquarters Building and the Ankara Development Hub where operational activities are carried out. Because the Ankara Development Hub was not operational in the 2021 base year and was first operational for a full reporting year in 2024, it was included in the greenhouse gas inventory boundary for the 2024 reporting year.

TSKB's Scope 3 targets correspond to 53% of the Bank's total assets and cover 70% of its loan and investment portfolio. You can access the SBTi-approved targets [here](#).

The Bank's sectoral decarbonization targets, determined according to SBTi guidelines and projected to be achieved by 2035, also form the basis for the 2030 interim targets.

The targets, developed under the leadership of the Board of Directors, were approved by the SBTi in 2023. At TSKB, the impact of allocated loans on the targets is assessed on a project-by-project and company-by-company basis and reported to the Credit Committee. The topic, which appears as a separate agenda item in the committee process, not only influences the credit decision but also ensures that an assessment of customers' decarbonization plans is conducted. In addition to the credit assessment processes, the performance in achieving SBTi targets at the portfolio level is calculated on a monthly basis, and analyses are conducted in line with projections to regularly evaluate the Bank's progress toward its SBTi and 2030 interim targets. The Bank also continuously improves the scope and quality of its analyses using data obtained from its portfolio.

The cement, iron and steel, power generation, fertilizer, aluminum, real estate, and transportation sectors in the TSKB loan portfolio are classified as carbon-intensive sectors, and the emissions of customers operating in these sectors are closely monitored. The Bank, which has set sectoral decarbonization targets for the electricity generation and real estate sectors in its loan portfolio, manages the emissions and decarbonization roadmaps of other carbon-intensive sectors in its portfolio within the scope of its SBTi-approved long-term target for corporate loans. TSKB annually evaluates the establishment of sectoral decarbonization targets for all carbon-intensive sectors in its loan portfolio, taking into account their materiality levels.

In line with SBTi guidance, short-term loans and SMEs have been excluded from the Scope 3 target scope.

Metrics and Targets for Direct Impacts										
SBTi Targets for Operational Activities	Scope	Scenario	Method	Metric	Base Year Performance	Base Year	Target Year	2024 Performance	2025 Performance	Target Achievement Rate
To reduce Scope 1 GHG emissions by 63% from the 2021 baseline year to 2035	Scope 1	SBTi 1.5°C Scenario	Absolute Contraction Approach	tCO ₂ eq	449	2021	2035	422	402	17%
To source 100% of electricity from renewable energy sources by 2030	Scope 2	SBTi 1.5°C Scenario	Renewable Energy	%	100	2021	2030	100	100	100%

Scope 1 Absolute Reduction Target

As part of the net-zero roadmap and to reduce the impact of operational activities on climate change, the Scope 1 absolute emissions reduction target was set using the SBTi Target Setting Tool in line with SBTi scenarios for limiting global warming to 1.5°C.

TSKB commits to reducing its Scope 1 GHG emissions by 63% by 2035 from a 2021 base year. The action plan established to achieve this target consists of four steps.

As part of the action plan to reach the target, the investment to transition the Bank's entire fire suppression system to the use of gases with low global warming potential was completed in 2024. The entire rental vehicle fleet was replaced with hybrid vehicles. The Bank is monitoring the developing electric vehicle market and developing future investment plans. In 2026, the cooling systems are planned to be modernized to use gases with low global warming potential.

TSKB will continue to measure Scope 1 emissions from its operational activities at the Istanbul Headquarters Building and the Ankara Development Hub, implement an action plan consistent with its targets, and transparently share its current status with stakeholders.

Next Period Plan

1- Modernization of the heating system: Integration of energy-efficient technologies

In progress

2- Modernization of the cooling system: Integration of energy-efficient technology

In progress

3- Company vehicle investment: Replacement of the fleet with hybrid and electric vehicles

Completed

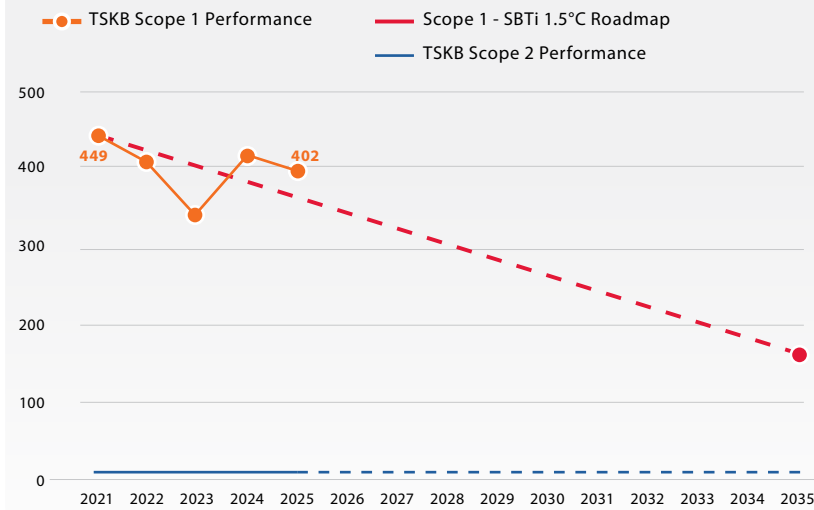
4- Modernization of the fire suppression system: Integration of gases with low global warming potential into the building

Scope 2 Renewable Energy Target

TSKB maintains its Scope 2 market-based emissions at zero by purchasing green electricity from I-REC certified power plants. In line with SBTi guidelines, the Bank aims to reduce the climate change impact of its purchased energy under its commitment to source 100% renewable energy from 2021 to 2030 for its Scope 2 emissions, and to continue this practice beyond 2030.

To manage its electricity consumption, the Bank tracks its Scope 2 emissions on both a market- and location-based basis and shares the results transparently with its stakeholders. In 2024 and 2025, location-based Scope 2 emissions changed due to cooling demand that varied with climatic conditions.

Scope 1 Absolute Emissions Reduction Target and Scope 2 Renewable Energy Target (tCO₂e)



Criteria and Targets within the Scope of TSKB's Lending and Investment Portfolio

Scope/Asset Class	Base Year Portfolio Share	SBTi Targets	Interim Targets	Scenario	Method	Metric	Base Year Performance	Target Year	2024 Performance	2025 Performance	Target Achievement Rate
Scope 3 / Electricity Generation Project Finance	27%	To reduce GHG emissions from the power generation project finance portfolio by 85.6% per kWh by 2035 compared with the 2021 base year	To reduce by 73.6% by 2030	SBTi 1.5°C Scenario	Sectoral Decarbonization Approach	tCO ₂ e/MWh	0.23	2035	0.25	0.25	-13%
Scope 3 / Power Generation Corporate Loans	3%	To reduce GHG emissions per kWh from the power generation sector within the corporate loan portfolio by 85.7% by 2035 compared with a 2021 base year	To reduce by 73.7% by 2030	SBTi 1.5°C Scenario	Sectoral Decarbonization Approach	tCO ₂ e/MWh	0.84	2035	0.64	0.34	69%
Scope 3 / Commercial and Residential Real Estate	2%	To reduce GHG emissions from the commercial real estate sector in the corporate loan portfolio by 71% per square meter by 2035 from a 2021 base year	To reduce by 53% by 2030	IEA ETP B2DS	Sektörel Dekarbonizasyon Yaklaşımı	tCO ₂ eq/m ²	0.21	2035	0.07	0.20	5%

Criteria and Targets within the Scope of TSKB's Lending and Investment Portfolio

Scope/Asset Class	Base Year Portfolio Share	SBTi Targets	Interim Targets	Scenario	Method	Metric	Base Year Performance	Target Year	2024 Performance	2025 Performance	Target Achievement Rate
Scope 3 / Long-Term Corporate Loans	30%	To reduce the Scope 1+2 temperature score of the other long-term corporate loans portfolio from 3.2°C in the 2021 base year to 2.74°C by 2027, and to reduce the Scope 1+2+3 portfolio temperature score from 3.2°C to 2.82°C	-	SBTi Well Below 2°C Scenario	Temperature Rating	°C	3.20	2027	2.77	2.77	93%
							3.20		3.07	3.02	47%
Scope 3 / Private Sector Bonds	0.3%	To reduce the private sector bonds portfolio's Scope 1+2 temperature rating from 2.57°C in the 2021 base year to 2.31°C by 2027, and its Scope 1+2+3 temperature rating from 2.86°C in the 2021 base year to 2.59°C by 2027.	-	SBTi Well Below 2°C Scenario	Temperature Rating	°C	2.57	2027	2.80	2.58	-4%
							2.86		3.18	2.90	-15%
Phase-out Commitments											
Scope	Base Year Portfolio Share	Commitment	-	-	-	Metric	Base Year Performance	Target Year	2024 Performance	2025 Performance	Target Achievement Rate
Scope 3 / Coal Phase-out Commitment*	3%	We commit not to finance any new coal-fired power plants or coal mining investments for power generation and to completely phase out the sector by reducing our exposure to coal-related activities in our outstanding loan portfolio to zero by the end of 2035	-	-	-	%	3%	2035	2.4%	1.5%	50%

* Companies in TSKB's portfolio with activities directly related to coal are coal-fired power plants and fall within the Bank's target scope. The absolute emissions and production-based emissions intensity values attributable to these companies are disclosed to the public separately, both within the electricity generation portfolio and under the coal sector.



Power Generation Project Finance

The Bank’s decarbonization target specific to the power generation sector was set in line with SBTi’s 1.5°C scenario to limit global warming to 1.5°C above pre-industrial levels. The science-based target set by the Bank was approved by the SBTi in 2023 and formed the basis for the 2030 interim target.

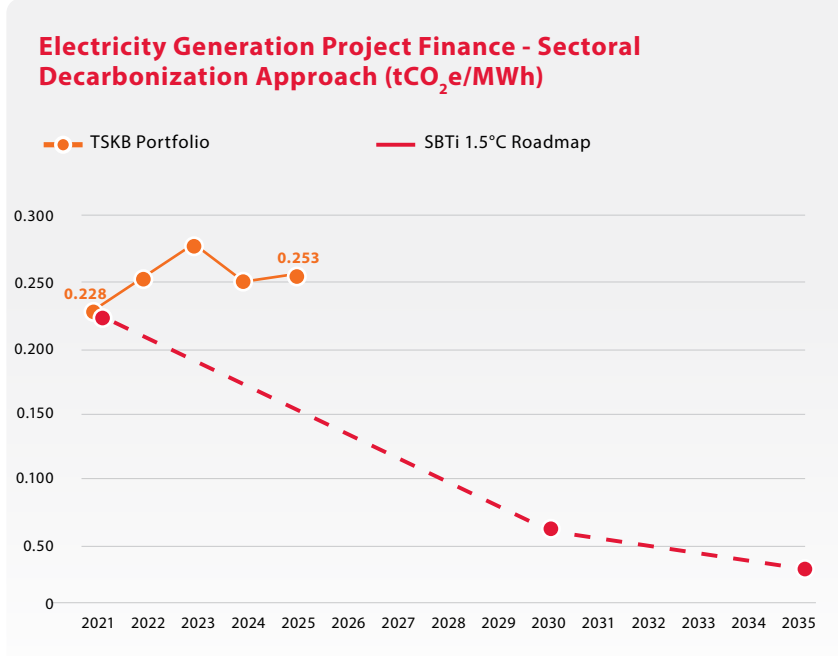
Following the 2021 base year, an increase in emission intensity was observed due to the repayment of loans in the power generation project finance portfolio.

In 2025, TSKB also carried out lending activities for this asset class within the climate finance framework. As of year-end 2025, power generation is the largest sector in the Bank’s loan portfolio, with a 30% share. Renewable energy projects constitute 94% of this portfolio.

In its relevant policy, TSKB has declared that it will not finance newly established coal-fired thermal power plants, capacity expansions, or coal mining investments, and will phase out coal financing by the end of 2035.

The Bank has structured its roadmap to achieve its targets of 73.6% for 2030 and 85.6% for 2035 in line with its approach of continuing to finance renewable energy.

Although the emission intensity of the project finance portfolio increased in 2025 compared to 2024 due to the repayment of loans in the renewable energy portfolio, TSKB will continue to focus on renewable energy and manage its portfolio in line with its net-zero targets, as it has in the past.

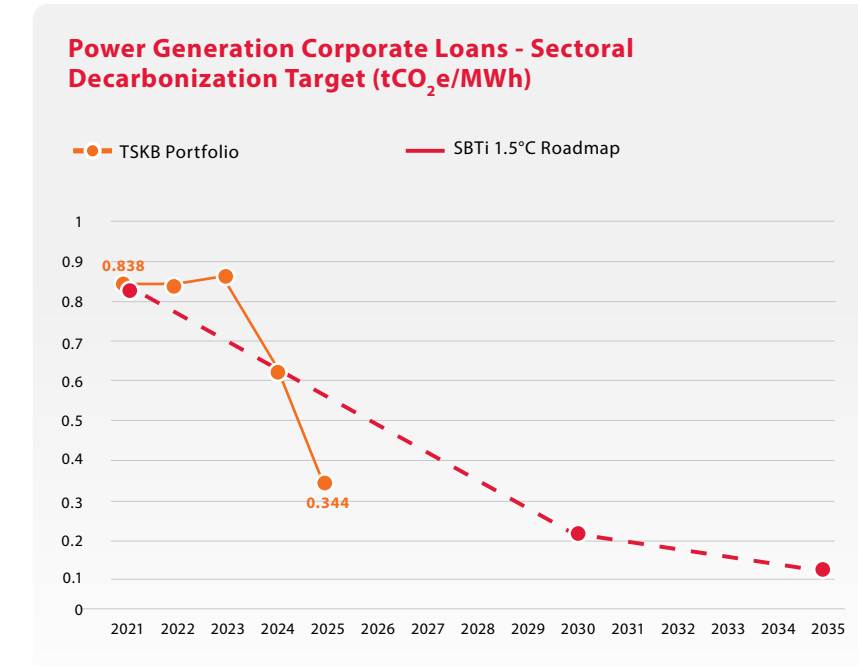


Power Generation Corporate Loans

To support the rehabilitation and/or environmental investments of power generation facilities and to promote the use of cleaner technologies in Türkiye’s electricity generation, TSKB has established its science-based target in line with the SBTi’s 1.5°C scenario for limiting climate change relative to the pre-industrial era. Within the scope of the target monitored by the performance of customers in the corporate loan portfolio that operate fossil-fuel-fired thermal power plants and renewable energy firms, a downward trend has emerged compared with 2024 due to TSKB’s climate policies and repayment schedules.

The science-based target set by the Bank was approved by the SBTi in 2023 and forms the basis for the 2030 interim target.

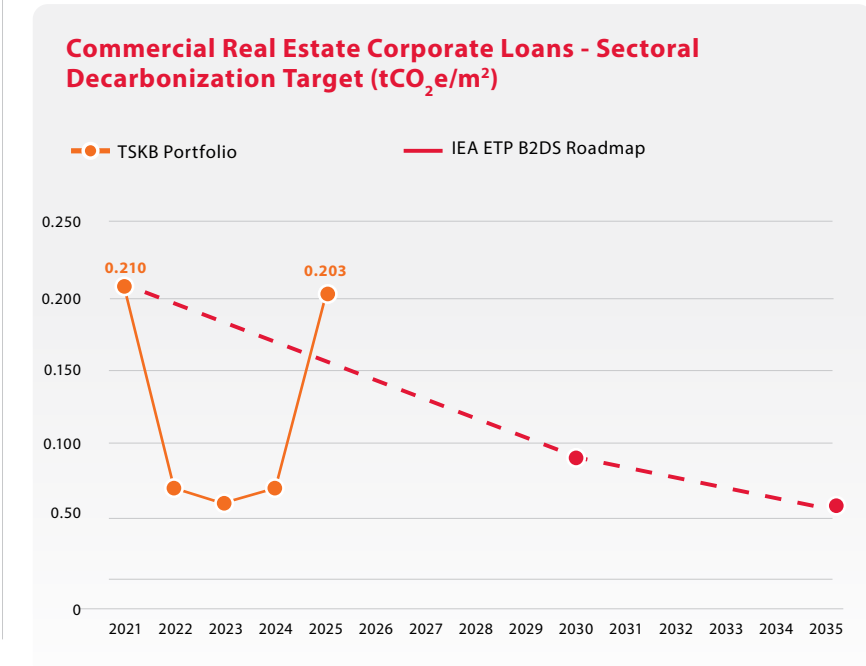
In addition to its green lending activities, and by supporting customers’ transitions to a low-carbon economy through Escarus, reduction targets of 73.7% by 2030 and 85.7% by 2035 were set relative to the 2021 base year.



Commercial Real Estate Corporate Loans

TSKB has set science-based targets aligned with the IEA ETP B2DS scenario to contribute to reducing indirect emissions from the energy used by commercial real estate properties in its corporate loan portfolio—such as office buildings, shopping malls, warehouse investments, and hospital investments—during both their construction and operational phases for needs like heating, cooling, and lighting. The target, approved by the SBTi in 2023, which projects a 71% reduction by 2035 relative to the 2021 base year, also forms the basis for the interim target of a 53% reduction by 2030.

Although new investments made in 2025 increased emissions intensity compared to 2024, the alignment of the companies in the real estate portfolio with the target scenario is being monitored. In the future, the Bank will continue to compose its real estate portfolio with energy-efficient or green building-certified structures, closely monitor its portfolio, and manage its emissions.



Other Long-Term Corporate Loans

TSKB monitors its SBTi-approved target for other long-term corporate loans on a monthly basis and discloses its performance annually. This target covers emission-intensive industrial sector companies such as iron and steel, cement, aluminum, and fertilizer, as well as other corporate loans in the industrial sector, affecting an average of 30% of the loan portfolio. In line with its development mission, the Bank supports the transition of its portfolio customers to a low-carbon economy through its activities, financing their green transition investments and investments aimed at reducing on-site energy consumption, such as solar power plants (SPPs) and energy- and resource-efficiency projects.

In 2025, the Bank continued to raise awareness among customers in its portfolio, encouraging greenhouse gas measurement and risk analysis studies. Through Escarus, it provided support to customers in creating decarbonization and green transition roadmaps.

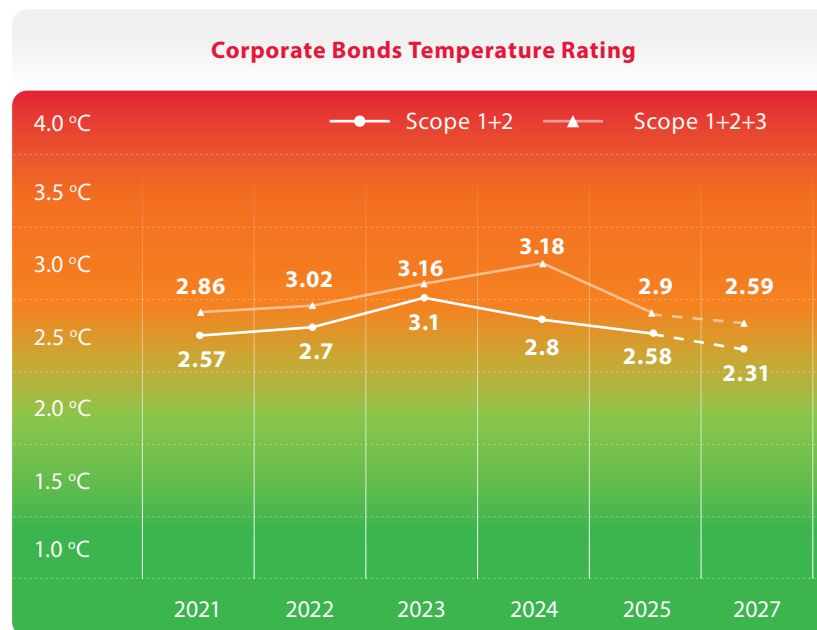
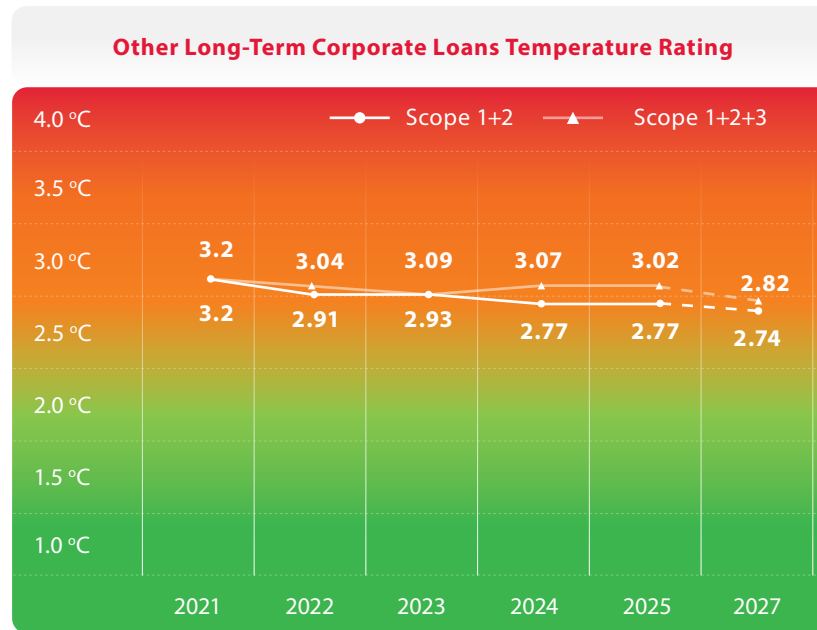
With the contribution of its green investment strategies, TSKB maintained the Scope 1+2 temperature score of its long-term corporate loan portfolio at 2.77°C at year-end 2025, while reducing the Scope 1+2+3 temperature score to 3.02°C. TSKB closely monitors its portfolio by conducting monthly temperature score analyses. Projections are made for investments to be reviewed by the Bank’s Credit Committee, and the impact of these investments on TSKB’s temperature score is integrated into the lending decision-making processes. The matter is regularly reported to senior management during committee meetings.

This approach allows for the management of the portfolio in line with its targets. TSKB will continue to closely monitor its portfolio through temperature score analyses in the upcoming periods.

Corporate Bonds

Private sector bond transactions are carried out by TSKB’s Treasury Department with a focus on optimizing the balance sheet’s assets and liabilities. Throughout the year, corporate bond purchases are made based on market conditions, with a focus on efficiency. Although current market conditions leave limited room for improvement, and temperature scores show an increase compared to the base year, it was observed that in 2025, the Scope 1+2 temperature score decreased to 2.58°C, and the Scope 1+2+3 temperature score decreased to 2.90°C.

In the upcoming period, TSKB will continue to direct its investments in line with the SBTi-approved science-based targets it has set as part of responsible investment principles.



Significant Developments After the Reporting Period

In February 2026, the Bank updated its Sustainability Policy and its complementary policies. By adding the Nature and Biodiversity Policy to its complementary policies, it has focused on its nature-related risks and opportunities. It will continue its efforts in this area in the coming period.