HALKBANK

2025 Sustainability Report in Compliance with TSRS

LIMITED ASSURANCE REPORT

KPMG Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
İş Kuleleri Kule 3 Kat:2-9
Levent 24330 İstanbul
Tel -90 212 316 6000
Fax+90 212 316 6060
www.kpmg.com.tr

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE SUSTAINABILITY REPORT PRESENTED ACCORDING TO TURKISH SUSTAINABILITY REPORTING STANDARDS

Türkiye Halk Bankası A.Ş. To the General Assembly

Türkiye Halk Bankası A.Ş. We have concluded a limited-assurance audit on the information ("Sustainability Information") presented in the Sustainability Report in Compliance with TSRS of ("the Bank") and its subsidiaries (collectively referred to as "the Group") for the year ended 31 December 2025, in accordance with Turkish Sustainability Reporting Standard 1, General Requirements for Disclosure of Sustainability-related Financial Information, and Turkish Sustainability Reporting Standard 2, Climate-related Disclosures, issued by the Public Oversight, Accounting and Auditing Standards Authority ("POA") (collectively referred to as "TSRS").

Our limited assurance audit does not cover information relating to prior periods or other information associated with the Sustainability Information (including any images, audio files, website links or embedded videos).

Limited Assurance Conclusion

Based on the procedures we performed and the evidence we obtained, as described under the heading "Summary of Work Performed as a Basis for Our Limited Assurance Conclusion", nothing has come to our attention that causes us to believe that the Bank's Sustainability Information for the year ended 31 December 2025 has not been prepared, in all material respects, in accordance with the TSRS.

We do not express an assurance conclusion on information relating to prior periods, other than climate-related risks and opportunities, or on other information associated with the Sustainability Information (including any images, audio files, website links or embedded videos).

Important Matters

As explained in the About the Report section of the Sustainability Report in Compliance with TSRS, in its Sustainability Report in Compliance with TSRS prepared for 2025, the Bank disclosed only information relating to climate-related risks and opportunities during its second annual reporting period, taking into account the exemption provided by the POA Board Decision dated 25 December 2025, published in the Official Gazette No 33123 of 30 December 2025. However, this matter does not affect our conclusion.

As explained in the About the Report section of the Sustainability Report in Compliance with TSRS, the Bank falls within the scope of the Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards (TSRS), published in the Official Gazette No. 32414 of 29 December 2023, and has not made disclosures regarding Scope 3 greenhouse gas emissions, taking into account the exemptions provided under Temporary Article 3 of TSRS 1 and the extension of the transition exemptions in accordance with the POA Board Decision dated 30 December 2025. However, this matter does not affect our conclusion.

Inherent Limitations in Preparing the Information Included in the Sustainability Report in Compliance with TSRS

The Sustainability Information includes information based on climate-related scenarios that are subject to inherent uncertainty due to incomplete scientific and economic knowledge about the likelihood, timing or effects of possible future physical and transition climate-related events.

In addition, the quantification of greenhouse gases is subject to inherent uncertainty due to limitations in the scientific knowledge used to determine emission factors and the values required to aggregate different gas emissions.

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

Group Management is responsible for:

- The preparation of the Sustainability Information in accordance with the TSRS;
- The design, implementation and maintenance of internal control considered necessary to enable the preparation of Sustainability Information that is free from material misstatement, whether due to error or fraud;
- In addition, Group Management is responsible for the selection and application of appropriate sustainability reporting methods and for making reasonable assumptions and estimates appropriate to the circumstances.

Those Charged with Governance are responsible for overseeing the Group's sustainability reporting process.

Independent Auditor's Responsibilities for the Limited Assurance Audit on the Sustainability Information

We are responsible for:

- Planning and performing the audit to obtain limited assurance as to whether the Sustainability Information is free from material misstatement, whether due to error or fraud,
- Reaching an independent conclusion based on the evidence obtained and the procedures performed, and
- Communicating our conclusion to Group Management.

As we are responsible for providing an independent conclusion on the Sustainability Information prepared by Management, we are not permitted to be involved in the preparation of the Sustainability Information, as doing so could compromise our independence.

Application of Professional Standards

Our limited assurance audit was conducted in accordance with Assurance Standard 3000, "Assurance Audits Other than Audits or Reviews of Historical Financial Information", and Assurance Standard 3410, "Assurance Audits on Greenhouse Gas Statements", issued by the POA. Our responsibilities under these assurance standards are described in detail in the "Independent Auditor's Responsibilities for the Limited Assurance Audit on the Sustainability Information" section of our report.

We believe that the evidence we have obtained during the limited Assurance Audit provides a sufficient and appropriate basis for our conclusion.

Independence and Quality Management

We have complied with the independence requirements and other ethical requirements of the Ethical Rules for Independent Auditors (Including Independence Standards) (the "Ethical Rules") issued by the POA, which are founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

KPMG is responsible for applying the provisions of Quality Management Standard 1 ("QMS 1"), "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance Audits or Related Services", and accordingly for maintaining a comprehensive quality management system, including written policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal requirements.

Summary of Work Performed as a Basis for Our Limited Assurance Conclusion

We are required to plan and perform our work to address the areas in which we have determined that there is a high likelihood of material misstatements arising in the Sustainability Information. The procedures we performed are based on our professional judgment. In conducting the limited assurance audit on the Sustainability Information:

- Interviews were conducted with key senior personnel of the Group to understand the processes in place for obtaining the Sustainability Information for the reporting period;
- Interviews were conducted with the persons responsible for the Sustainability Information.
- The Group's internal documentation was used to evaluate and review sustainability-related information.
- The disclosure and presentation of sustainability-related information were evaluated.
- Through inquiries, an understanding was obtained of the Group's control environment and information systems relating to the preparation of the Sustainability Information. However, the design of specific control activities was not evaluated, evidence regarding their implementation was not obtained, and their operating effectiveness was not tested.
- The accuracy of the Sustainability Information was tested on a sample basis by comparison with the Group's supporting documentation.
- The appropriateness of the Group's methods for developing estimates and whether they were applied consistently were evaluated. However, our procedures do not include testing the data on which the estimates are based or developing our own estimates to evaluate the Bank's estimates.
- The selection of greenhouse gas quantification methods and reporting policies was evaluated.

The procedures performed in a limited assurance audit differ in nature and timing from those performed in a reasonable assurance audit, and the extent of these procedures is narrower. Consequently, the level of assurance obtained in a limited assurance audit is significantly lower than the level of assurance that would have been obtained had a reasonable assurance audit been performed.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Orhan Akova, CPA
Qualified Auditor
7 August 2026
İstanbul, Türkiye

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TABLES

ABBREVIATIONS

CBAM	Carbon Border Adjustment Mechanism
CDP	Carbon Disclosure Project
CGF	Credit Guarantee Fund
CIF	Climate Impact Factor
COSO	Committee of Sponsoring Organizations of the Treadway Commission
EEMS	Enterprise Energy Management System
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
FDR	Firm Rating Report
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HPP	Hydroelectric Power Plant
I-REC	International Renewable Energy Certificate
ICAAP	Internal Capital Adequacy Assessment Process
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organization for Standardization
KOSGEB	Presidency of Organization for Development of Small and Medium Enterprises
LGD	Loss Given Default
NGFS	Network for Greening the Financial System
NZBA	Net-Zero Banking Alliance
PD	Probability of Default
RCP	Representative Concentration Pathway
RWA	Risk-Weighted Asset
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets Initiative
SME	Small and Medium-Sized Enterprises
TAS	Turkish Accounting Standards
TCFD	Task Force on Climate-related Financial Disclosures
TFRS	Turkish Financial Reporting Standards
TRY	Turkish Lira
TSRS	Turkish Sustainability Reporting Standards
WEF	World Economic Forum

ABOUT THE REPORT

Türkiye Halk Bankası A.Ş. ("Halkbank" or the "Bank") aims to present the Bank's climate-related financial impacts, risks and opportunities to stakeholders within the framework of the Turkish Sustainability Reporting Standards (TSRS) through its Sustainability Report in Compliance with TSRS for 2025. This report has been prepared in accordance with TSRS 1 - General Requirements for Disclosure of Sustainability-related Financial Information and TSRS 2 - Climate-related Disclosures, and the sustainability- and climate-related disclosures have been structured to be consistent with the Bank's financial statements and meaningful and comparable for decision-makers. In addition, the disclosures in "Volume 16 - Commercial Banks", which is part of the Guidance on the Sector-based Application of TSRS 2, have been utilized. The currency used in the report is expressed in Turkish Lira (TRY), consistent with the consolidated financial statements.

The information included in the report is addressed under the headings of governance of risks and opportunities, risk management, impact on strategy and business model, and metrics and targets. The impacts of sustainability- and climate-related matters, particularly climate change-related risks and opportunities, on the Bank's operations, value chain and long-term financial performance have been assessed from a holistic perspective.

The sustainability- and climate-related data and disclosures presented in the report have been prepared by taking into account the sector and geographical scope in which the Bank operates. This approach aims to present information in a clear, understandable and meaningful manner and to prevent important information from being obscured by immaterial details.

The report contains climate- and sustainability-related disclosures for the period from 1 January to 31 December 2025 and covers all subsidiaries, corresponding to the scope of the consolidated financial statements presented in the 2025 Halkbank Integrated Annual Report.

During the period from the end of the reporting period on 31 December 2025 until the publication of this report, no event or change in circumstances has occurred that could affect the assessments and decisions of users of the Bank's financial reports and have a significant impact on the sustainability- and climate-related disclosures.

CONFORMITY DECLARATION

Halkbank declares that the sustainability-related financial disclosures included in this report have been prepared in accordance with the provisions of TSRS 1 - General Requirements for Disclosure of Sustainability-related Financial Information and TSRS 2 - Climate-related Disclosures, which are in force under the TSRS.

Transition provisions and exemptions permitted to be applied under the TSRS have been utilized in the preparation of the report. Disclosures regarding the transition provisions and exemptions used are presented in the Transition Provisions section of the report.

It is considered that the transition provisions and exemptions used do not prevent the making of a compliance statement within the framework of the provisions of the TSRS.

TRANSITION PROVISIONS

Under the "Board Decision on the Turkish Sustainability Reporting Standards" published by the Public Oversight, Accounting and Auditing Standards Authority (POA) in the Official Gazette No. 32414 of 29 December 2023, a transition exemption for the disclosure of Scope 3 greenhouse gas emissions was granted for the first two reporting years to entities reporting for the first time in 2024.

In addition, pursuant to the Board Decision published in the Official Gazette No. 33123 of 30 December 2025, it was decided to extend for one year the transition exemptions for the first annual reporting period set out in paragraphs E4, E5 and E6(b) of TSRS 1 - General Requirements for Disclosure of Sustainability-related Financial Information for entities that prepared Sustainability Report in Compliance with TSRSs for the first time in the 2024 reporting period.

The Bank benefits from the transition exemptions provided pursuant to the relevant Board Decisions.

SUBSIDIARIES

The Sustainability Report in Compliance with TSRS is consistent with the scope of the consolidated financial statements in terms of the definition of the reporting entity. Accordingly, all subsidiaries controlled in accordance with TAS/TSRS/BDDK regulations are included within the scope of this report. This approach is consistent with the provisions of TSRS 1, which aim to ensure that sustainability-related financial disclosures are presented in a manner that is connected with and consistent with the financial reports. As of the reporting period, there has been no significant change in consolidation affecting the scope of the report. The scope of the Sustainability Report in Compliance with TSRS is consistent with the scope of the consolidated financial statements included in the 2025 Halkbank Integrated Annual Report.

Consolidation Principles: The full consolidation principles applied in financial reporting constitute the scope of the report. The report is consistent with the scope of the consolidated financial statements and covers all of the Bank's subsidiaries within the scope of consolidation; climate- and sustainability-related disclosures have been prepared based on this scope.

Data Governance and Internal Control: Sustainability data received from subsidiaries (data owners / control points / timetable) are collected under the coordination of the Sustainability Department. In accordance with the principle of information connected with financial reports, disclosures relating to material items are presented consistently with the financial statements.

Table 1: List of Subsidiaries

Company	Country	Business Area	Voting Rights (%)	Consolidation Method	Special Note in Reporting
Halk Finansal Kiralama A.Ş.	TR	Domestic and international financial leasing	100	Full Consolidation	-
Halk Faktoring A.Ş.	TR	Domestic and international factoring, receivables assignment, collection and financing services	100	Full Consolidation	-
Halk Yatırım Menkul Değerler A.Ş.	TR	Investment services and capital markets activities	100	Full Consolidation	-
Halk Katılım Bankası A.Ş.	TR	Fund collection, trade, lease- and partnership-based financing, investment and payment services within the framework of participation banking principles	100	Full Consolidation	Halk Katılım Bankası was registered on 22 September 2025 and has not yet commenced operations as of the current period.
Halk Gayrimenkul Yatırım Ortaklığı A.Ş.	TR	Real estate investment trust activities	79.33	Full Consolidation	-
Halk Elektronik Para ve Ödeme Hizmetleri A.Ş.	TR	Electronic money issuance and payment services	100	Full Consolidation	-
Halk Varlık Kiralama A.Ş.	TR	Issuance of lease certificates	100	Full Consolidation	-
Halkbank AD Beograd	SRB	Banking activities	100	Full Consolidation	-
Halk Banka AD Skopje	MKD	Banking activities	100	Full Consolidation	-

CONCEPTUAL FOUNDATIONS AND GENERAL PROVISIONS

In order to ensure that the disclosures included in the report provide useful, consistent and high-quality information for decision-makers, the principles of transparency, reliability, comparability, verifiability, timeliness and understandability have been adopted. The conceptual framework prescribed under the TSRS has been taken into account in the reporting process, and due care has been exercised to ensure that the disclosures are prepared consistently with the financial reports.

FAIR PRESENTATION

The information disclosed in the report has been prepared so that the effects of climate-related risks and opportunities on the Bank shall be reflected accurately, impartially and in full. Halkbank declares that the data and methodologies used in reporting have been applied consistently throughout the relevant period, that the disclosures are based on reliable sources of information, and that the financial data included in the report are consistent with the methods and principles used in preparing the consolidated financial statements.

MATERIALITY

Within the scope of the materiality approach defined in paragraphs 17-19 of the TSRS, information on climate-related risks and opportunities is considered material where it could reasonably be expected that the omission, misstatement or obscuring of such information would influence the decisions of users of general purpose financial reports. Accordingly, Halkbank reports material information by assessing the effects of climate-related risks and opportunities on the Bank's financial position, performance and resilience. The materiality assessment has been carried out within a framework consistent with financial reporting processes, taking into account the qualitative and quantitative criteria set out in the TSRS. The selection of the threshold has been calculated based on a certain percentage of the Bank's total assets in accordance with the principle of prudence. Nevertheless, the materiality assessments of subsidiaries have been based on the monetary thresholds determined by the Bank, and climate-related risks and opportunities expected to have an impact above these thresholds have been included within the scope of reporting.

HALKBANK VALUE CHAIN

Halkbank's value chain consists of three main components: Upstream (suppliers, public institutions and financial institutions), Own Operations (senior management, employees, subsidiaries and core banking services), and Downstream (customers and lending and financial products/activities).

The current and anticipated effects of climate-related risks and opportunities on the business model and value chain have been assessed in accordance with paragraph 13 of TSRS 2.

Halkbank Value Chain

Upstream

Suppliers

- IT, Data Security and Cybersecurity Service Providers
- Operational Goods and Service Providers
- Energy Supply

Public Institutions

- Regulatory and Supervisory Authorities

Financial Institutions

- International Creditors
- Correspondent Banks

Own Operations

Senior Management & Employees

- Board of Directors, Senior Management
- Head Office, Regional Office and Branch Personnel

Subsidiaries

- Domestic and Foreign Subsidiaries

Core Banking Services

- Head Office, Branch and ATM Operations
- Digital Banking Services

Downstream

Customers & Financial Products

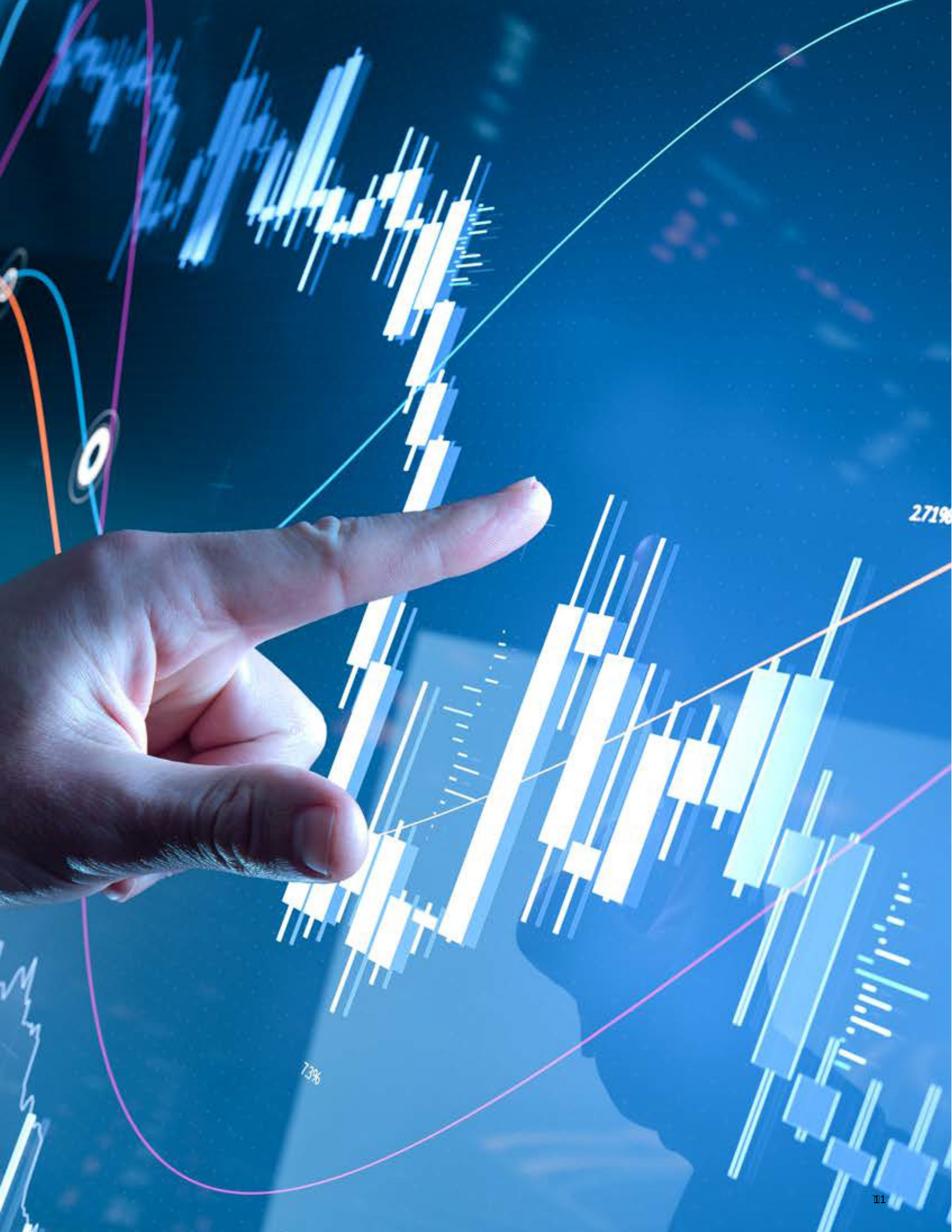
- Loans and Other Financial Products/Activities
- Retail Customers
- Commercial Customers

1. GOVERNANCE OF RISKS AND OPPORTUNITIES

At Halkbank, sustainability- and climate-related risks and opportunities are addressed within the framework of the Bank's corporate governance framework. The effects of these risks and opportunities on the Bank's financial performance and strategic direction are assessed within the scope of the Board of Directors' responsibilities.

The consideration and high-level oversight of climate-related risks and opportunities, including ESG dimensions, in alignment with the corporate governance approach, business strategy and financial decision-making processes are ensured through the relevant committees reporting to the Board of Directors.

Processes for monitoring and assessing sustainability- and climate-related risks and opportunities have been defined within the Bank's risk management structure, and these processes are carried out within the framework of the division of duties among the relevant units. Within this scope, the Sustainability Department coordinates the proposal of climate-related scenario studies, initiatives to raise awareness throughout the Bank regarding climate-related financial risks, and efforts to develop climate risk data sets and key risk indicators. The integration and assessment of these efforts within risk management processes are carried out in cooperation with the Risk Management Department.


73%

1.1. MANAGEMENT AND OVERSIGHT STRUCTURE FOR SUSTAINABILITY AND CLIMATE RISKS

Responsibilities relating to the management of sustainability- and climate-related risks and opportunities are fulfilled through committees and working groups established within the Bank. In this respect, the Audit Committee, Operational Risk Committee, Business Continuity Emergency and Contingency Committee, and Sustainability Committee reporting to the Board of Directors are responsible for addressing sustainability- and climate-related risks and opportunities within their respective areas of responsibility.

Within these committees, efforts are carried out to identify and monitor sustainability- and climate-related risks and assess necessary actions; the currency and development of risks and their effects on the Bank's operations are regularly reviewed. The relevant committee members receive the information required in line with their responsibilities regarding sustainability and climate matters and carry out the necessary assessments via committee meetings. The Sustainability Committee is intended to convene at least four times a year, while the frequency of meetings of the other committees may vary depending on necessities. Within this scope, the matters addressed and decisions taken by the committees are regularly reported to the Board of Directors. In 2025, the Board of Directors held two meetings to discuss sustainability- and climate-related matters.

The Audit Committee is responsible, on behalf of the Board of Directors, for overseeing the effectiveness and adequacy of the Bank's internal control, risk management, compliance and internal audit systems and monitoring the compliance of accounting and financial reporting processes with the applicable legislation and the integrity of the information produced. In this context, the Committee also assesses the methods and practices for identifying, measuring, monitoring and controlling the risks to which the Bank is exposed, including climate-related financial risks.

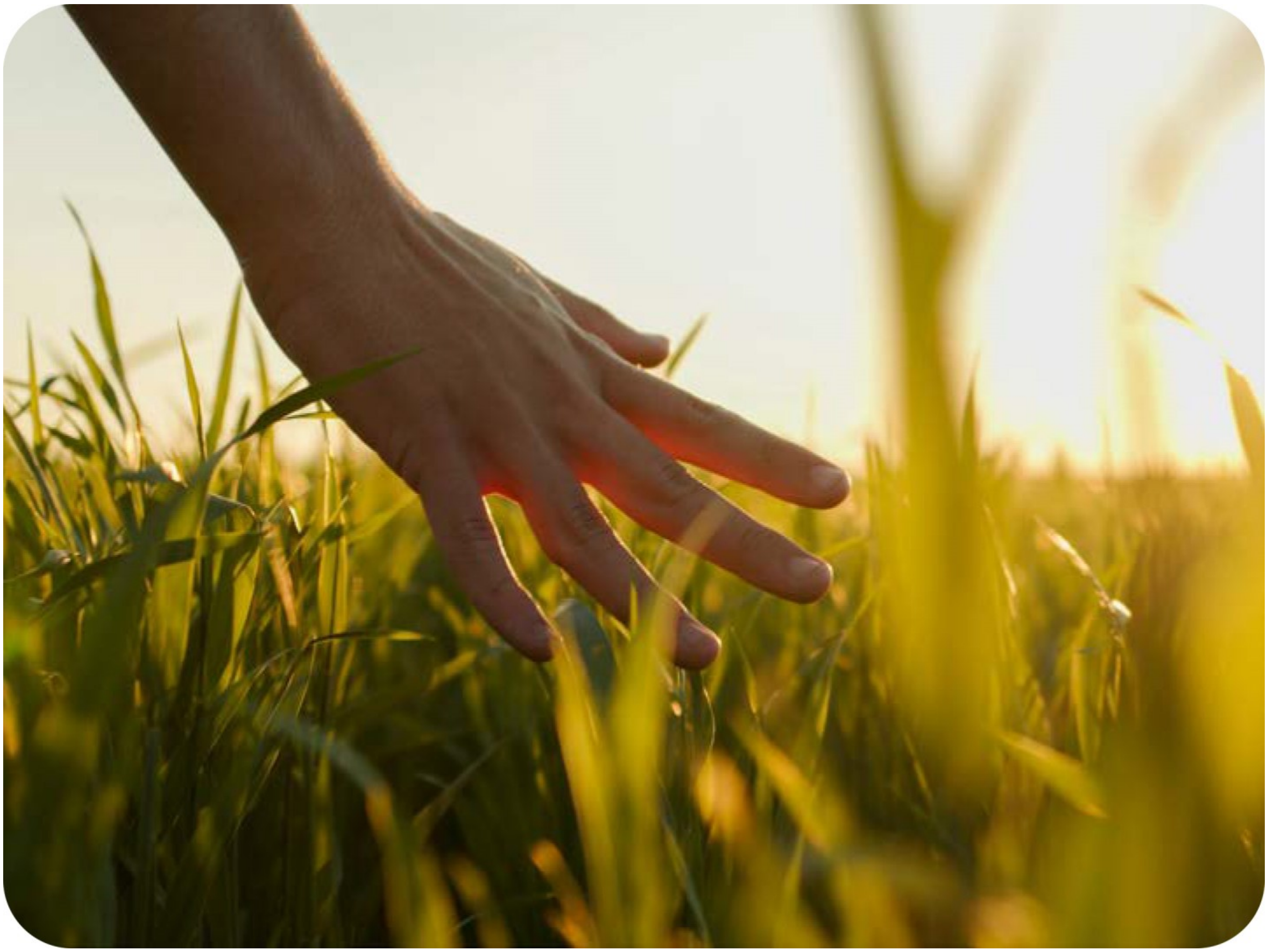
The Operational Risk Committee is responsible for reviewing and assessing the Bank's operational risks on both a solo and consolidated basis and making decisions on matters deemed necessary, and assesses the potential effects of operational risks arising from climate change on the Bank's operations and considers measures that may be taken against these risks.

The Business Continuity Emergency and Contingency Committee coordinates preparation, response and recovery processes to ensure the uninterrupted continuation of operations in extraordinary circumstances and ensures the coordination of preparation, response and recovery processes for extraordinary circumstances that may affect business continuity, including climate-related physical risks.

The Sustainability Committee was established in 2015 and is responsible for monitoring the Bank's progress in sustainability and guiding sustainability initiatives throughout the Bank. The Committee is also responsible for assessing efforts relating to the management of sustainability- and climate-related risks and opportunities and monitoring the relevant policies and targets within this scope.

At the Committee, which convened four times in 2025, efforts relating to the implementation of sustainability-related best practices and projects, the assessment of Integrated Management System audit results, compliance with the Turkish Sustainability Reporting Standards, strengthening the sustainability structure in subsidiaries, green asset ratio studies, assessment of climate-related risks, and near-term emission reduction targets were addressed.

The Sustainability Department coordinates efforts relating to sustainability- and climate-related risks and opportunities. In this context, the Sustainability Department is responsible for proposing scenario studies on climate-related financial risks, contributing to the development of key risk indicators and conducting awareness-raising activities. The Sustainability Department, operating under the International Banking Executive Vice Presidency, is also responsible for disseminating sustainability best practices and projects throughout the Bank, conducting reporting processes through national and international initiatives, and ensuring internal coordination for the development of sustainability-related policies and frameworks.



The Risk Management Department is responsible for integrating climate-related financial risks into the Bank's existing risk management framework, assessing risk measurement and monitoring processes, and addressing these risks via internal capital adequacy and risk reporting. In this respect, climate risk scenario analyses and stress tests are conducted, and climate risks are assessed within the scope of ICAAP. In addition, the results relating to key risk indicators are regularly reported to senior management, and the Sustainability Committee is informed where necessary.

In order to enable the more effective management of sustainability- and climate-related risks and opportunities, the Sustainable Finance Sub-Working Group, Climate-Related Risk Management Sub-Working Group, and Sustainability Communication and Project Management Sub-Working Group operate within the Bank. These working groups carry out activities aimed at developing sustainability practices, strengthening relevant policies and processes, and enhancing institutional capacity in line with their respective areas of duties and responsibilities.

The Bank is committed to developing the knowledge and competencies of committee members and individuals serving in working groups that assume responsibilities relating to sustainability- and climate-related matters.

1.2. INTEGRATION OF RISK MANAGEMENT, INTERNAL CONTROL AND ASSURANCE MECHANISMS

The Three Lines of Defense risk management model stands out as a fundamental element in the effective management of climate-related risks and opportunities. By ensuring the monitoring of all processes relating to climate risks and opportunities, this model strengthens the governance structure, enables risks to be managed regularly at all levels within Halkbank, and allows such risks and opportunities to be addressed from every aspect.

First Line of Defense

Business units are responsible for the initial identification and monitoring of climate-related risks and opportunities and, where necessary, taking preventive measures. Customer relations, loan application, allocation and monitoring teams play an active role in ensuring compliance with policies and instructions, conducting the necessary analyses, preparing documentation and implementing practices within the scope of climate risk frameworks.

Second Line of Defense

The Internal Control Department, Risk Management Department and Compliance Department are responsible for monitoring and assessing the risks managed by the first line and ensuring the effectiveness of control mechanisms. In this context, processes relating to regulatory compliance, the adequacy of internal control systems, information technology and security, sustainability risks and quality assurance are operated, and climate-related financial risks are regularly reviewed. In addition, the monitoring and measurement of risks as part of internal capital requirements and regulatory capital adequacy are also the responsibility of the second line.

Third Line of Defense

The Board of Inspection, operating under the Board of Directors, independently audits the accuracy, adequacy and effectiveness of risk management systems and reports its findings and recommendations to the Audit Committee. Internal Audit activities regularly assess the level of compliance with internal policies and regulations regarding climate-related financial risks and support efforts to increase personnel's level of knowledge on sustainability and climate change.

Integration into Credit Processes

Environmental and social impacts arising from the activities of companies applying for credit are analyzed through the Sustainability and Environment questionnaire included in the Company Rating Reports; the sustainability performance resulting from these analyses directly affects the customers' credit rating scores. In 2025, 20,214 companies were evaluated in terms of sustainability within this scope. In addition, in order to more effectively assess the financial impacts of climate change and environmental factors and strengthen its risk management strategies, the Bank continuously reviews national and international examples of good practice and continues its efforts to improve the questionnaires.

1.3. ROLES AND COMPETENCIES OF SENIOR MANAGEMENT REGARDING SUSTAINABILITY AND CLIMATE RISKS

At Halkbank, the management of sustainability and climate-related risks and opportunities is carried out through corporate structures involving senior management. In this respect, assessments regarding sustainability and climate matters are addressed under mechanisms reporting to the Board of Directors; senior management contributes to monitoring the targets and priorities established in these areas.

The Board of Directors and the Audit Committee play a fundamental role in establishing the Bank's sustainability approach and overseeing climate-related risks and opportunities. The effects of sustainability and climate-related risks on the Bank's strategy, risk appetite and targets are regularly examined by the relevant committees; the Board of Directors and the Audit Committee assess these activities when necessary.

In order to support the knowledge and competencies of senior management regarding sustainability and climate-related matters, capacity-building activities are carried out within the Bank in line with the policies and regulations in force. In this context, training and awareness-raising activities are carried out at senior management level. During the current reporting period, senior management attended a total of 109 hours of training programs in areas such as sustainability expertise, risk management, business continuity, social and environmental impact assessment, sustainability reporting and zero waste.

1.4. RELATIONSHIP BETWEEN RISK MANAGEMENT PERFORMANCE AND REMUNERATION AND INCENTIVE MECHANISMS

At Halkbank, performance evaluation mechanisms are structured to ensure alignment between employees' individual targets and the Bank's corporate sustainability strategies. Progress towards sustainability and climate-related targets is monitored through indicators such as reducing the carbon footprint and effectively managing environmental risks, and these indicators have been integrated into bonus schemes at certain management levels. Accordingly, the Bank's energy performance and resource efficiency indicators are among the criteria used in determining the performance bonuses of the Executive Vice President responsible for International Banking, the Head of the Sustainability Department, relevant department managers and employees. The Remuneration Committee is responsible for monitoring the performance indicators included within the remuneration policy.

Employees' individual performance is regularly monitored through performance scorecards prepared within the framework of the Head Office Performance and Bonus System document. In this context, 25% of the performance scorecard of the Executive Vice President responsible for International Banking consists of sustainability-focused targets.

Detailed information on the Bank's Remuneration and Key Employee Policy is available in the Principles and Policies section of the Halkbank website.

1.5. STAKEHOLDER ENGAGEMENT AND TRANSPARENCY IN THE IDENTIFICATION AND MONITORING OF RISKS

Halkbank aims to ensure transparency and alignment in its climate-related strategies by maintaining active communication with its key stakeholders, particularly investors, regulatory authorities, customers and industry representatives. Through regular reporting conducted in alignment with TSRS regulations, SASB and sectoral examples, comprehensive information regarding the Bank's climate risks, opportunities and transition plans is shared with the public.

Data on green financing practices and sector-based emission reduction targets are disclosed via Integrated Annual Reports and CDP reports. The Bank continuously evaluates feedback received from stakeholders and regularly improves its stakeholder engagement approach in order to strengthen its governance structure, improve the management of climate risks and support long-term value creation.

1.6. INPUTS AND PARAMETERS USED WITHIN THE SCOPE OF SUSTAINABILITY

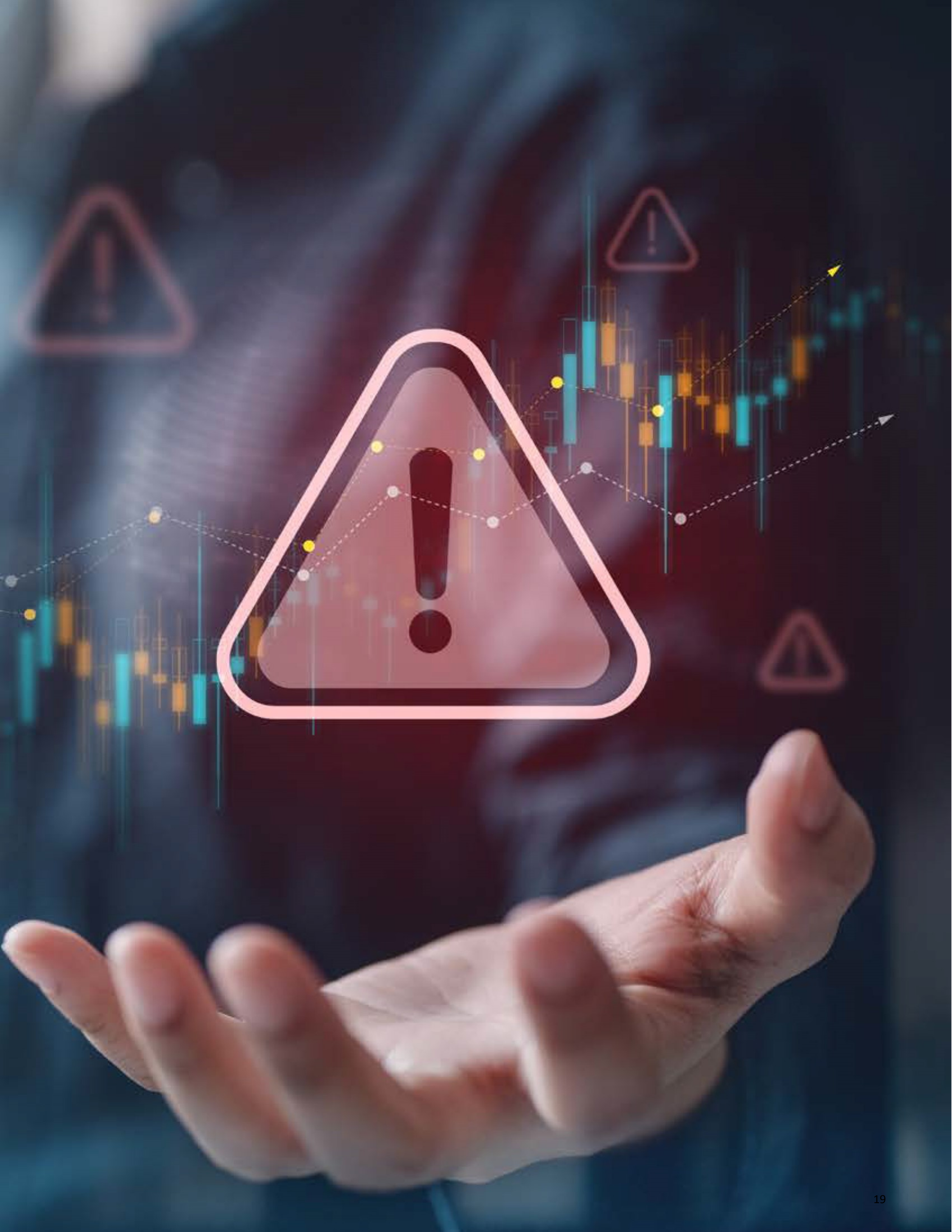
Halkbank utilizes comprehensive data sets and advanced analytical approaches to assess ESG risks related to the sustainability management. The main inputs and parameters used accordingly are summarized below:

- **Data Infrastructure:** The Bank uses information obtained from both internal and external data sources to measure and monitor its sustainability performance and integrates such data into its analytical processes.
- **Operational Scope:** The sustainability approach is addressed within a broad framework encompassing the Bank's operational structure, including Head Office units, regional coordination offices, branches, subsidiaries, as well as data centers and ATMs.
- **Climate Risk and Financial Implications:** In order to assess the financial impacts of climate change more comprehensively, the Bank applies NGFS and IPCC scenarios in alignment with the TCFD (Task Force on Climate-related Financial Disclosures) framework and conducts stress tests within this scope. In this process, analyses are carried out by taking into account climate data at global and national levels, emission reduction targets and relevant market indicators.
- **Social and Governance Indicators:** Social and governance factors such as employee diversity, equality and inclusion policies, customer and stakeholder satisfaction, and ethical management principles are taken into account in evaluating the Bank's sustainability performance.

The Bank aims to ensure compliance with changing regulatory frameworks and sectoral expectations by regularly reviewing the data sets and parameters used in its sustainability processes. Detailed indicators regarding Halkbank's sustainability performance and comparative performance results by year are presented in the "Performance Tables" section of the 2025 Integrated Annual Report. In this context, all quantitative data relating to the performance indicators included in the TSRS 2 framework are shared transparently and accessibly in the relevant report; you can access the relevant report here.

By adopting a sustainability approach, Halkbank aims to create value together with all its stakeholders and takes into account global developments, international guidelines and stakeholder feedback when determining its strategic priorities.

2. RISK MANAGEMENT



2.1. RISK MANAGEMENT FRAMEWORK

Halkbank adopts a holistic and integrated risk management approach that supports the effective management of financial and non-financial risks that may affect its operations. In line with this approach, credit, market, operational and asset-liability risks, as well as physical and transition risks arising from climate change, are assessed within the corporate risk management framework. Processes for the identification, measurement, assessment, monitoring, reporting and management of risks are carried out in line with the Bank's risk appetite, strategic objectives and regulations in force, and are regularly reviewed by taking changing internal and external conditions into account. For this purpose, necessary risk assessments are carried out in processes involving the introduction of new products and services and entities from which outsourced services are planned to be procured; risk management policies, models and practices are continuously developed with the aim of strengthening the Bank's financial resilience and supporting its long-term value creation capacity.

In addition, the current risk profile is regularly reviewed through comprehensive risk assessment activities conducted annually. Risk management policies are reconsidered at certain intervals and necessary updates are implemented where required. In addition, efforts continue to continuously improve the models and approaches forming the basis of credit risk management. Through these processes, the effective management of the risks to which the Bank is exposed is supported, thereby contributing to the preservation of financial stability.

In addition, as part of the efforts to integrate climate-related risks into the existing risk management framework, the 2025 ICAAP Report prepared within the framework of the Risk Appetite Statement includes qualitative disclosures regarding risk management, while the 2025 ICAAP Validation Report includes assessments of these disclosures, and the development of the framework to cover environmental and social risk factors together with climate risk is being considered.

As climate-related risk analyses have a dynamic and evolving structure, approaches for prioritizing risks and assessing the related capital requirements are planned to be developed in line with the outputs obtained from the climate risk stress tests conducted. For this purpose, the following tools and indicators are used to prioritize climate-related risks:

- Portfolio heat map analyses
- Climate risk stress test results
- Risk appetite thresholds planned to be developed within the scope of climate-related risks

2.2. INTEGRATION AND MANAGEMENT OF CLIMATE-RELATED RISKS INTO CORPORATE RISK MANAGEMENT PROCESSES

The Bank considers climate-related risks to be an integral component of its existing corporate risk management processes. Accordingly, efforts to identify, assess, monitor and manage physical and transition risks arising from climate change are carried out in an integrated manner with the Bank's existing risk management policies, processes and practices. Climate-related risks are incorporated into the relevant risk management processes by taking into account their potential impacts on key risk categories, particularly credit, market, operational and reputational risk.

At Halkbank, the integration of climate-related risks into the existing risk management structure is designed through the joint efforts of the Risk Management, Credit Policies, Financial Accounting and Sustainability Departments to cover both transition and physical risks. In this context, the "Policy on the Management of Climate-related Financial Risks" has been established for the identification, measurement, assessment, monitoring and reporting of climate-related risks, and efforts to improve the effectiveness of the processes are regularly continued.

The potential impacts on the Bank's operations of physical risks that may be caused by climate change, such as floods, landslides and forest fires, are regularly assessed. Accordingly, emergency and unexpected event plans are prepared and updated to ensure that customer services can continue uninterruptedly even in extraordinary circumstances. As part of the "Business Continuity Emergency and Unexpected Event Plan", efforts to develop action plans for operational risks that may arise from climate change are carried out under the coordination of the Business Continuity Department. Detailed explanations regarding these plans are provided in the "Climate-related Risks and Opportunities" section of the report.

2.3. IDENTIFICATION, DETERMINATION AND ASSESSMENT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

Halkbank addresses climate-related risks and opportunities in line with a systematic assessment process, taking into account the current and potential impacts of climate change on its business model, loan portfolio, value chain and operational activities. In this context, efforts to identify, determine, assess and prioritize risks and opportunities are carried out in accordance with a methodology aligned with the Bank's corporate risk management approach.

At the initial stage of the assessment process for climate-related risks, sector analyses, regulatory developments, national and international good practices and various data sources are utilized.

In this context, climate-related risks and opportunities that are significant for the Bank's operations are identified by taking into account the global risk topics published by the World Economic Forum (WEF), the COSO risk management framework, SASB sector-specific sustainability topics and the prominent regulatory areas in line with the European Green Deal.

Climate-related risks and opportunities are analyzed across three different time horizons in alignment with the Bank's strategic business plans, budgeting cycles and macroeconomic projection periods. Accordingly, the short term (0-1 year) is considered in connection with the annual budget period, the medium term (1-5 years) in synchronization with the Bank's medium-term strategic business planning processes, and the long term (5 years and beyond) to cover long-term financial projections and scenario analyses.

With the Risk and Opportunity Workshops organized with the participation of the relevant business units, the likelihood of occurrence and impact levels of climate-related risks and opportunities are assessed for each time horizon, and the potential financial impacts are quantified by considering these two factors together.

Based on the assessment scores obtained by jointly examining the dimensions of time horizon, likelihood and impact, climate-related risks and opportunities are classified according to their level of significance. Under the methodology applied, risks and opportunities with a total score between 1 and 6 are categorized as "low", those between 7 and 12 as "medium", and those scoring between 13 and 25 as having a "high" level of significance and are subject to assessment accordingly. Details of the rating approach established within this scope are presented in the table below (Table 2: Halkbank Risk & Opportunity Scoring Matrix).

Table 2: Halkbank Risk & Opportunity Scoring Matrix

Likelihood / Impact	1. No Impact	2. Insignificant Impact	3. Limited Impact	4. High Impact	5. Very High Impact
5. Almost Certain	Low (5)	Moderate (10)	High (15)	High (20)	High (25)
4. Highly Likely	Low (4)	Moderate (8)	Moderate (12)	High (16)	High (20)
3. Likely	Low (3)	Low (6)	Moderate (9)	Moderate (12)	High (15)
2. Unlikely	Low (2)	Low (4)	Low (6)	Moderate (8)	Moderate (10)
1. Highly Unlikely	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)

A summary of the assessment and risk-opportunity scoring methodology applied in this context is presented in Table 3.

Table 3: Methodology for Assessing Climate-Related Risks and Opportunities

Level of Impact	Likelihood	Time Horizon	Risk / Opportunity Score	Risk / Opportunity Score Ranges
Refers to the potential impact of the risk or opportunity on the Bank's financial, operational and reputational areas within the specified time period. The level of impact is rated between 1 (no impact) and 5 (very high impact).	Refers to the likelihood of the risk or opportunity occurring within the specified time period. Likelihood is rated between 1 (unlikely) and 5 (almost certain).	Risks and opportunities are classified according to their time horizons of occurrence: • Short term: 0-1 years • Medium term: 1-5 years • Long term: 5 years and above	The significance level of risks and opportunities is calculated by jointly assessing impact and likelihood values. **Risk/Opportunity Score** = Impact × Likelihood These scores are used to determine and prioritize the relative significance levels of risks and opportunities.	• 1-6: Low • 7-12: Moderate • 13-25: High This classification is used to prioritize risks and opportunities and determine management actions.

The methodology applied enables risks and opportunities to be assessed within a comparable framework; at the same time, the Bank's exposure to climate risks based on its loan portfolio and customer structure is made more visible. The findings obtained are linked to the Bank's strategic planning process, thereby supporting the management of climate-related risks and opportunities.

In assessments conducted in accordance with the established methodology, climate-related risks and opportunities identified as having a "high" level of significance are subjected to scenario analyses. Climate-related risks and opportunities that, as a result of scenario analyses, are considered to have the potential to create a financial impact exceeding 5% of the Bank's total assets are considered financially material.

In line with the dynamic nature of climate-related risks and opportunities, the Bank regularly updates its assessment processes and continues its efforts to strengthen its data infrastructure and deepen its analyses.

2.4. ANALYSIS OF CLIMATE RISKS AND FINANCIAL IMPACT APPROACH

In assessing the financial impacts of climate-related risks, transition and physical risks are addressed using different analytical approaches. Transition risks are assessed by taking into account regulatory developments, carbon pricing, the Carbon Border Adjustment Mechanism (CBAM), technological transformation and market dynamics that may arise during the transition to a low-carbon economy. Physical risks, on the other hand, are analyzed within the framework of climate projections based on different emission scenarios, taking into account the potential impacts of climate events such as floods, droughts, extreme temperatures, landslides and wildfires on the Bank's loan portfolio.

The works are conducted primarily based on exposures in Türkiye, where the Bank carries out its main operations. As of year-end 2025, customer-based physical climate risks are assessed by taking into account the sectoral and geographical distribution of the loan portfolio. In this context, physical risk scores are calculated for each customer through a model developed using the ThinkHazard database, short-term climate scenarios published by NGFS, IMF working papers and other international data sources. This enables the concentration of physical risks to be analyzed by customer, sector and geographical region.

The risk scores calculated to assess the financial impacts of physical climate risks are used as inputs to the damage function developed within the model. Accordingly, a Climate Impact Factor (CIF) is calculated for each customer, and physical climate risk exposures are differentiated within a four-level classification framework. The methodology developed provides a basis for analyzing the potential financial impacts of physical climate risks on the loan portfolio.

However, taking into account the dynamic nature of climate risks, regulatory developments and data/model uncertainties, analyses are regularly updated, and any new impacts that may arise are monitored within the scope of financial planning, risk management and reporting processes.

2.5. ALIGNMENT WITH GLOBAL RISK MANAGEMENT FRAMEWORKS

The enterprise risk management approach is shaped by taking into account international risk management standards and generally accepted best practices in the sector. In this respect, in line with the responsible banking approach, both financial and non-financial reporting are carried out in compliance with the relevant national and/or international regulatory requirements.

As the risk environment is multidimensional and continuously changing, developments in financial markets and changes in the regulatory framework are regularly monitored, and management strategies are updated accordingly. In response to changes in international reporting standards and indices, the Bank adopts a proactive approach by conducting training activities to enhance the knowledge level of its personnel and strengthening its institutional capacity by using consultancy services where necessary.

3. IMPACT ON STRATEGY AND BUSINESS MODEL

The Bank also analyzes the financial impacts of climate-related risks and opportunities in accordance with the established methodology in order to assess their effects on its strategy and business model. In this context, the potential impacts that climate-related risks and opportunities may create in the short, medium and long term are assessed.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3.1. CLIMATE-RELATED RISKS AND OPPORTUNITIES

Based on the assessments carried out during the reporting period, 2 climate-related risks and 2 climate-related opportunities that are reasonably expected to affect the Bank have been identified.

Other risk and opportunity topics addressed in the previous reporting period have been assessed as having limited potential to create a significant impact on the Bank under the current assessments; these topics continue to be monitored.

Table 4: Climate-Related Physical Risk: Climate Change and Extreme Weather Events

Risk Topic:	**Climate Change and Extreme Weather Events**
Risk Category	Physical - Acute & Chronic
Risk Description:	The existence of sectoral, regional and customer-based concentrations in the loan portfolio, increased exposure in the event that climate-related physical impacts occur simultaneously, weakening of customer cash flows and reduced financial resilience, deterioration in repayment performance and a decline in portfolio quality, and adverse impacts of physical risks such as extreme temperatures, floods, landslides and droughts on collateral assets and project revenues
Impact on Business Model and Value Chain:	Business Model: In light of concentrations in the loan portfolio and climate-related physical risks, the Bank aims to adopt a prudent lending approach by taking into account potential impacts on customers' repayment capacity and collateral values. **Value Chain:** • **Own Operations:** Buildings and service infrastructure • **Downstream:** Loan portfolio[1] (sectors such as agriculture, food, energy generation, energy transmission and distribution, information technologies, communication services and real estate) • **Upstream:** Flood risk (disruption in the supply chain)
Financial Impact Analysis Methodology	With Risk and Opportunities Workshop, physical climate risks that may affect the loan portfolio (such as extreme temperatures, droughts, floods, inundations and wildfires) were analyzed. Accordingly, geographical risk mapping was carried out using ThinkHazard datasets, while sectoral sensitivities were assessed using international data sources (S&P Global). Under the customer-based methodology developed, location, sectoral sensitivity and exposure levels were considered together, and these factors were quantified through the Climate Impact Factor indicator. The results obtained were integrated into Probability of Default (PD) and Loss Given Default (LGD) calculations in a controlled manner, enabling the effects of physical climate risks on credit risk to be assessed using a holistic approach. In addition, the potential impacts of extreme weather events on the Bank's operational infrastructure and supply chain were analyzed, with emphasis placed on business continuity plans, alternative service channels and efforts to enhance operational resilience. Assessment processes are continuously updated through data enrichment, the deepening of location-based analyses and the regular monitoring of risk indicators.

[1] *Sectors with potential exposure to climate-related physical risks were identified by taking into account the business activities of customers included in the Bank's loan portfolio. In this respect, approximately 60% of the portfolio was assessed as part of the physical risk analysis.*

Current and Anticipated Financial Impact:	Customer and collateral relationships located in regions and sectors exposed to physical climate risks are closely monitored by the Bank. Although regional and sectoral concentrations in the loan portfolio are taken into account, as of the reporting period, no material current impact of physical risks such as extreme temperatures, floods, landslides and droughts on the Bank's loan portfolio, asset quality and capital adequacy indicators has been observed. Climate change and extreme weather events (wildfires, floods, temperature changes, droughts, etc.) constitute a significant risk area that may affect the Bank's loan portfolio. The concentration of the portfolio by sector, region and customer may increase exposure if these impacts occur simultaneously. This process may put pressure on customer cash flows, financial resilience, collateral values, portfolio quality and repayment performance. Collateral assets in flood-prone areas and hydroelectric power plant projects sensitive to drought stand out as key risk areas. Therefore, improving and strengthening risk monitoring mechanisms is among the Bank's objectives. Climate-related risks are also significant for the Bank's operations, as extreme weather events may cause disruptions, damage and increased costs for branches, data centers and the supply chain. According to the scenario analyses, risks are expected to become more pronounced in the medium and long term due to the increasing frequency and severity of climate-related physical hazards over time and the gradual accumulation of their financial impacts. It is considered unlikely that the effects of such risks will emerge at a significant level in the short term. As a result of analyses conducted based on the IPCC's RCP 2.6, RCP 4.5 and RCP 8.5 scenarios, no material financial impact of the relevant risk on the Bank's portfolio was observed. The results obtained contribute to an understanding of the Bank's exposure to physical risks under different climate scenarios and are taken into account in risk management processes.
Term:	Medium-Long
Action Plan:	**Business Model:** The Bank integrates physical risks arising from climate change and extreme weather events into its risk management processes. Within this scope, sectoral, regional and customer-based concentrations are analyzed, and stress scenarios relating to collateral values are taken into account. In addition, mechanisms to enhance operational resilience are being developed via business continuity plans. **Value Chain:** • **Own Operations:** The resilience of branch and service infrastructure against climate-related disasters is managed within the scope of business continuity and emergency plans, while the impact of disruptions is reduced through alternative service channels, such as digital banking and mobile teller services. • **Downstream (Loan Portfolio / Customers):** The exposure of customers included in the loan portfolio to climate risks is monitored on a sectoral and geographical basis, and risk assessment efforts are being deepened for activities that may be affected, particularly by floods, droughts and temperature changes. Physical risks in the regions where collateral assets are located, particularly floods and droughts, are regularly analyzed; water stress and production continuity risks are monitored for climate-sensitive investments such as hydroelectric power plant projects. For this purpose, datasets are being developed and portfolio-based risk monitoring tools, such as heat maps, are being used.
Related Priority Topic:	Combating Climate Change and Environmental Compliance

3.1. CLIMATE-RELATED RISKS AND OPPORTUNITIES

Table 5: Climate-Related Transition Risk: Carbon Border Adjustment Mechanism

Risk Topic:	Carbon Border Adjustment Mechanism
Risk Category	Transition - Legal & Regulatory
Risk Description:	Under the Carbon Border Adjustment Mechanism (CBAM), due to carbon pricing and reporting obligations to be applied in export markets; pressure on the cost structure and competitiveness of companies operating in carbon-intensive sectors (iron and steel, aluminium, cement, fertilisers, electricity and hydrogen), Indirect impacts on the Bank's portfolio and risk management processes
Impact on Business Model and Value Chain:	**Business Model:** In line with the potential pressure on the cost structures and competitiveness of customers operating in carbon-intensive sectors under the CBAM, the Bank aims to strengthen its risk-sensitive structure by managing risk assessments in lending processes more rigorously and in a data-driven manner. **Value Chain** • **Downstream:** Loan Portfolio[2], Credit Policies, Risk Management
Financial Impact Analysis Methodology	Halkbank has analysed the potential impacts of the CBAM on its loan portfolio using a bottom-up approach in order to assess the financial impacts of transition risks. In this context, customers operating in sectors covered by the CBAM have been assessed based on international methodologies and NGFS scenarios. Scenario-based stress analyses have been conducted by applying the identified probability of default increase rates to the existing credit risk parameters.
Current and Anticipated Financial Impact:	The Bank closely monitors exposures to customers operating in sectors covered by the CBAM and transition risks that may arise from carbon pricing and regulatory obligations. Currently, no significant impact arising from these risks is observed on the loan portfolio, asset quality or capital adequacy indicators. The CBAM is considered a risk that may create increasing compliance costs for companies operating in the sectors covered, within the scope of carbon pricing, emissions reporting and verification obligations to be applied in export markets. Given these regulations, it is considered that carbon costs becoming financial liabilities over time may lead to an increase in the production costs of the relevant companies and a weakening of their competitiveness in international markets. If customers' compliance investments are delayed or prove insufficient, fluctuations may occur in the financial performance of the companies, and this situation is anticipated to have indirect impacts on the Bank's loan portfolio structure, pricing dynamics and overall risk outlook. It is considered that this risk will not have a significant impact in the short term and that, due to the gradual implementation of the relevant regulations and the transition to a low-carbon economy, the impacts will emerge progressively over time. As the financial impacts of regulatory developments, particularly the CBAM, are expected to mature and become more pronounced in the medium and long term, transition risks have been assessed for these time horizons through scenario analyses. As a result of analyses conducted based on the NGFS Net Zero 2050 Highway to Paris and Sudden Wake-Up Call scenarios, no significant financial impact of the relevant risk on the Bank's portfolio has been observed. The analysis results reflect the potential impacts of carbon pricing mechanisms, regulatory changes and the transition to a low-carbon economy on customers' financial performance and contribute to the assessment of the impacts of different transition pathways on the Bank's credit risk and capital structure.

[2] *The portion of the loan portfolio with potential exposure to climate-related transition risk has been determined based on CBAM sectors. In this respect, approximately 1% of the loan portfolio has been assessed as part of the transition risk analysis.*

Term:	Medium-Long
Action Plan:	The Bank supports its customers' green transition by informing them through the SME Development Platform under the CBAM and aims to accelerate this process through the green financing instruments it offers. In this context, the customer portfolio operating in carbon-intensive sectors is analysed by sectoral and geographical breakdowns; the export structure, carbon intensity and compliance capacities of companies subject to the CBAM are assessed, and impact analyses are conducted regarding potential additional financial obligations. The Bank also closely monitors developments in international legislation and carbon pricing mechanisms and strengthens its data-based analysis and monitoring processes. The risk arising from the CBAM is reviewed regularly, and, taking into account the gradual nature of the transition process, it is considered that this risk may emerge in the medium to long term and does not currently have a significant impact within the scope of the ongoing studies.
Related Priority Topic:	ESG Impact in Lending Processes and Sustainable Finance

In addition to assessments of climate risks, the opportunities arising in the Bank's sustainability-focused transformation process are also addressed comprehensively. In this context, developments in green and sustainable finance stand out as an important area of opportunity for the Bank, contributing both to the growth of the loan portfolio in line with sustainable investments and to new customer acquisition and increased diversity of funding. In particular, products and solutions developed to address the increasing financing needs for green transition investments strengthen an approach in the Bank's business model that considers environmental and social impacts, while supporting the spread of positive impacts throughout the value chain. At the same time, the Bank aims to further strengthen its competitiveness and position in sustainable finance by increasing access to international sustainable financing sources, supporting customers' transition projects and diversifying its loan portfolio towards climate-compatible investments.

3.1. CLIMATE-RELATED RISKS AND OPPORTUNITIES

Table 6: Climate-Related Opportunity: Sustainable and Green Financing

Opportunity Topic:	Sustainable and Green Financing
Opportunity Category	Market & Growth
Opportunity Description:	The supply chain expenditures and working capital needs of companies investing in the green transition are increasing. The Bank may acquire new customers by providing tailored solutions to meet this increasing need through the financing of receivables related to green projects, green loans and product structures. Accordingly, it may contribute to diversifying funding sources and strengthening the Bank's position in green finance while supporting the sustainability-focused growth of the loan portfolio. The Bank expects this opportunity to have positive impacts on loan volumes, customer acquisition and revenue generation. However, detailed financial impact estimates and growth projections relating to this opportunity have not been publicly disclosed pursuant to the provisions of TSRS 1 B35-B36, as information regarding commercial strategies may affect the Bank's competitive position. Nevertheless, the Bank considers the opportunity to be significant in terms of financial planning and strategic growth targets and monitors its impacts as part of its internal assessment processes.
Impact on Business Model and Value Chain:	**Business Model:** Through sustainability-focused investments, the Bank is strengthening its position in sustainable finance by considering not only financial performance but also social and environmental benefits. **Value Chain:** The financing of projects that provide environmental and social benefits increases the sustainability capacity of the loan portfolio while contributing to the spread of positive environmental and social benefits throughout the value chain.
Current and Anticipated Actions:	Halkbank, which places sustainability at the core of its business model, aims to reduce its customers' environmental impacts by supporting, in particular, renewable energy and energy efficiency investments through the green financing instruments it offers. In addition, the implementation of environmentally friendly and socially responsible projects is supported through eight different products offered under the Green Transformation and Sustainability Support Package: • Renewable Energy and Energy Efficiency Investment Loan • Green Workplace Investment Loan • Green-Certified Construction Project Loan • Green Light Commercial Vehicle Loan • Electric Vehicle Charging Station Loan • Recycling Loan • Sustainability Certification Support Loan • Wastewater Management Loan
Term:	Medium Term

Table 7: Climate-Related Opportunity: Access to International Sustainable Finance

Opportunity Topic:	Access to International Sustainable Finance
Opportunity Category	Market & Funding
Opportunity Description:	As the transition to a low-carbon economy accelerates globally, the need for international sustainable financing sources to transform businesses' production processes, equipment and infrastructure is steadily increasing. In this context, green bonds, sustainability-linked loans, transition finance instruments and financing opportunities offered by multilateral development banks and international funding providers present significant opportunities. Strengthening Halkbank's access to international sustainable financing sources for investments aimed at reducing emissions, improving energy efficiency and enhancing environmental performance may contribute both to supporting its customers' transformation projects and to creating new business volumes through longer-term and cost-effective funding opportunities. This approach may support the Bank in gaining a strategic competitive advantage by increasing its funding diversity and enabling the diversification of its loan portfolio towards climate-aligned and sustainable investments. The Bank expects access to international sustainable financing sources to have positive impacts on financial performance by increasing funding diversity, providing cost advantages and supporting the growth of sustainable financing activities. However, potential amounts related to the relevant financing sources, forecasts regarding financing costs and business volume projections have not been publicly disclosed pursuant to TSRS 1 B35-B36, as they contain commercially sensitive information. Nevertheless, the Bank continues to assess the strategic importance of this opportunity and its potential impacts on financial planning and monitors the relevant indicators through its internal management processes.
Impact on Business Model and Value Chain:	**Business Model:** By increasing access to international sustainable financing sources, the Bank aims to support its customers' transition to a low-carbon economy while also creating new business volumes through long-term and cost-effective funding opportunities. This approach contributes to strengthening the Bank's position in sustainable finance while diversifying its funding structure. **Value Chain:** Sustainability-linked financing instruments support customers' transition processes and contribute to improving environmental performance across the value chain. In this way, both the sustainability-focused transformation of the loan portfolio is accelerated and value is created together with customers during the transition to a low-carbon economy.
Current and Anticipated Actions:	The Bank aims to increase access to international sustainable financing sources, develop green and sustainable financing products, support customers' green transformation projects, support environmentally friendly investments and groups with limited access to finance (SMEs, tradespeople and craftspeople, and women and young entrepreneurs), and diversify its loan portfolio in line with climate-aligned investments.
Term:	Medium Term

3.2. IMPACT OF CLIMATE-RELATED RISKS ON FINANCIAL PLANNING PROCESSES

Halkbank addresses the impacts of climate change on its operations, cash flows and long-term strategic objectives within a holistic risk management framework and integrates these assessments into its financial planning processes. The potential impacts of physical and transition risks on the loan portfolio, collateral values, capital adequacy and profitability are analysed from short-, medium- and long-term perspectives, and the findings obtained are used in strategic decision-making processes.

When assessing impacts on financial planning, consideration is given to the potential effects of climate-related risks and opportunities on risk weights and provisions, changes that may occur in collateral values, changes in customer demand and revenues that may be generated from green financing activities. In this context, current and anticipated financial impacts are disclosed quantitatively to the extent possible; where impacts cannot be reliably estimated, qualitative assessments are provided together with the reasons for this.[3]

Exposures relating to customers operating in regions where physical climate risks are high can be disaggregated. Within this scope, the loan portfolio concentrated in regions and sectors with high sensitivity to physical risks is monitored and analysed. If physical risks materialise, disruptions to customers' operations, loss of income and declines in the value of assets serving as collateral may lead to an increase in credit risk and, consequently, higher provisioning expenses and deterioration in portfolio quality. This situation has the potential to create indirect impacts on the Bank's profitability and cash flows. Therefore, potential impacts are assessed through scenario analyses and stress tests.

In particular, exposures to customers operating in sectors covered by the European Union Carbon Border Adjustment Mechanism are monitored by the Bank. As of 31/12/2025, customers covered by the CBAM have a limited total amount of cash and non-cash exposure with the Bank, and these customers represent a certain risk-weighted asset size within the Bank's portfolio.

It is considered that, if companies operating in these sectors are exposed to carbon costs and experience deterioration in their financial condition, limited adverse effects may arise on the Bank's credit risk indicators and capital adequacy ratio.

If transition risks materialise, deterioration in the financial performance of customers operating in carbon-intensive sectors may lead to an increase in credit risk, higher provisioning expenses and a decline in portfolio value. This situation has the potential to create indirect impacts on the Bank's profitability and cash flows. Therefore, the loan portfolio related to these sectors is regularly monitored and analysed through stress tests.

[3] *TSRS 2, paragraphs 15-21*

3.3. KEY ASSUMPTIONS AND UNCERTAINTIES USED IN SCENARIO ANALYSES

Scenario-based analyses used in the assessment of climate change risks may inherently involve uncertainties. Taking these uncertainties into account, Halkbank considers the results obtained from the studies it conducts as indicative outputs. In particular, the lack of detailed and long-term data specific to Türkiye limits the accuracy of physical risk analyses.

In analyses of transition risks, uncertainties mainly arise from the future course of the regulatory framework, policy implementation and market dynamics. The pace of the carbon transition, the instruments to be implemented and stakeholder behaviour are among the areas with limited predictability, while the high impact of the assumptions used in the analytical process on the results constitutes a significant constraint. In addition, the ability of climate events to affect multiple risk channels simultaneously and the interaction between them challenge the scope of existing modelling approaches and highlight the need for more advanced methods.

As of the reporting period, no circumstance requiring a material climate-related adjustment to the carrying amounts of assets and liabilities reported in the financial statements has been identified. Nevertheless, it is considered that the long-term effects of climate change may have impacts on the loan portfolio, collateral values and financial performance.

3.4. SCENARIO ANALYSES

In the assessment of physical risks, Representative Concentration Pathways (RCP) 2.6, 4.5 and 8.5 scenarios developed by the IPCC and based on assumptions of high emissions and limited policy intervention are taken into account. In this respect, the potential impacts of climate risk-related events, including extreme heat, landslides, drought, wildfires, river flooding, floods and water stress, on the loan portfolio, collateral structure and customer cash flows are analysed. In order to ensure that the scenarios considered are consistent with the average maturity of the Bank's loan portfolio, the 2021-2040 time horizon has been selected for the relevant scenarios. Explanations regarding these scenarios are provided below:

Representative Concentration Pathways (RCP) 2.6
The RCP 2.6 scenario is an ambitious climate scenario aimed at limiting the increase in global temperature to 1.5-2°C by 2100, with emissions declining rapidly and climate-related physical risks being minimised. This pathway, which requires the phase-out of fossil fuels and carbon capture technologies, also creates significant economic transition risks and pressure on carbon-intensive sectors.

Representative Concentration Pathways (RCP) 4.5
The RCP 4.5 scenario aims to stabilise the increase in global temperature at 1.8-2.4°C by 2100 through the reduction of greenhouse gas emissions and to limit the impacts of climate change. This scenario represents a middle-ground pathway in which regulations such as carbon pricing are introduced gradually, physical risks are more predictable, and transition and adaptation capacity is more manageable compared with RCP 8.5.

Representative Concentration Pathways (RCP) 8.5
The RCP 8.5 scenario is defined as a "worst-case" scenario in which greenhouse gas emissions increase uncontrollably and the temperature rise exceeds 4°C by 2100. This scenario brings high risks of physical damage due to extreme weather events and severe financial shocks in fossil fuel-dependent sectors as a result of sudden policy interventions.

In the assessment of transition risks, the orderly transition scenario group, which is based on the transition to a low-carbon economy and limiting the increase in global temperature to 1.5°C, is used as the basis. These scenarios assume the introduction of carbon pricing mechanisms, a tightening of the regulatory framework and an acceleration of the green energy transition. In this context, it is considered that customers operating in carbon-intensive sectors may experience increases in their cost structures and changes in competitive conditions, which may in turn affect their loan repayment capacities. In this context, the Net Zero 2050, Net Zero 2050 - Sudden Wake Up Call and Net Zero 2050 - Highway to Paris scenarios are considered for transition risks. In order to ensure that the scenarios considered are consistent with the average maturity of the Bank's loan portfolio, the 2021-2040 time horizon has been selected for the relevant scenarios. Explanations regarding these scenarios are provided below:

Net Zero 2050
The NGFS Net Zero 2050 scenario is a transition risk scenario aimed at reducing carbon emissions to net zero by 2050 and creating high cost and default risks in the short term, particularly in carbon-intensive sectors covered by the CBAM, due to early carbon pricing. In countries such as Türkiye that have intensive trade relations with the EU, the credit risk and financial pressure on exporting companies with low transition capacity may increase rapidly at an early stage under this scenario.

Net Zero 2050 - Highway to Paris
The NGFS Highway to Paris scenario is a transition risk scenario that most limits long-term risks by involving the timely and gradual implementation of climate policies and the reduction of carbon emissions along a predictable pathway. While costs and probabilities of default increase in carbon-intensive sectors covered by the CBAM, it may make credit risk more controlled and manageable by providing time for planning and adaptation to exporting companies in countries such as Türkiye that have intensive trade relations with the EU.

Net Zero 2050 - Sudden Wake Up Call
The NGFS Sudden Wake-Up Call scenario is a transition risk scenario in which delayed climate action followed by abrupt policies creates sudden financial shocks and sharp default risks in carbon-intensive sectors and sectors covered by the CBAM. This may lead to sudden payment difficulties and deepening credit risks in the short term for exporting companies in countries such as Türkiye that have limited time for transition and intensive trade relations with the EU.

3.5. CLIMATE RESILIENCE

Halkbank evaluates the potential impacts of developments arising from climate change on its operations from a holistic perspective and takes into account the risks and opportunities arising from environmental transformation in its corporate decision-making processes. Accordingly, the Bank continuously improves its existing practices and management approaches in order to adapt to the economic and sectoral impacts of changing climate conditions and carries out activities aimed at increasing the resilience of its operations.

The potential consequences of risks arising from climate change on the Bank's financial performance, customer portfolio and operational processes are examined through various analyses and assessment studies. Based on the findings obtained within this scope, actions aimed at managing risks and mitigating potential impacts are determined, and such activities are carried out in line with the Bank's overall risk management framework and business strategies. Thus, it is aimed to assess in advance the uncertainties that may arise from climate-related developments and to put the necessary adaptation mechanisms into place in a timely manner.

Halkbank considers environmental and climate-related risks among the significant components of its corporate risk profile and regularly reviews its practices regarding the monitoring, measurement and management of these risks. For this purpose, the analysis methods and assessment mechanisms used are updated in line with changing economic conditions, regulatory expectations and sectoral developments, contributing to the support of the Bank's long-term financial soundness and operational continuity.

The climate scenario analyses conducted were used to assess the resilience of the Bank's current strategy against different climate risk scenarios. In terms of physical risks, the IPCC-based RCP 2.6, RCP 4.5 and RCP 8.5 scenarios were taken into account, while within the scope of transition risks, the NGFS's "Highway to Paris" scenario, representing an orderly transition, and the "Sudden Wake-Up Call" scenario, reflecting more abrupt policy responses, were considered. The analysis results indicate that, under the relevant scenarios, there is no significant financial impact on the Bank's exposures at a level requiring a change in its strategic direction and that the current strategy generally demonstrates a resilient profile against climate risks.

4. METRICS AND TARGETS

4.1. METRICS RELATING TO SUSTAINABILITY AND CLIMATE PERFORMANCE

Halkbank monitors and reports its sustainability and climate change-related performance through measurable metrics determined with respect to its operational activities and financing processes. These metrics are used to assess the environmental impacts arising from the Bank's activities and financing activities related to climate change.

Energy consumption arising from the Bank's operations and the related greenhouse gas emissions are monitored within this scope. For this purpose, the Bank calculates and reports direct and energy-related indirect emissions arising from its operations, as well as emissions arising throughout its value chain, under Scope 1, Scope 2 and Scope 3 categories. In order to monitor its performance related to environmental impact and resource use, the Bank regularly reports its performance in these areas by monitoring operational metrics such as greenhouse gas emissions, energy consumption, water use and waste management, as well as the financing provided for renewable energy and energy efficiency projects contributing to the fight against climate change.

To support the systematic monitoring of environmental and energy performance, the ISO 14001 Environmental Management System and ISO 50001 Energy Management System are implemented within the Bank. As of 2025, all domestic subsidiaries in operation have been included in the scope of these systems. The data obtained within the scope of these systems are used for monitoring, verifying and reporting the Bank's climate performance metrics.

4.2. GREENHOUSE GAS (GHG) EMISSIONS AND EMISSION SCOPES

In order to effectively monitor and manage climate-related risks, Halkbank monitors and reports greenhouse gas emissions separately under Scope 1, Scope 2 and Scope 3. It is aimed to use emission data as one of the key inputs in assessing climate risks arising from the Bank's operational activities and indirect impacts originating from its loan portfolio.

Scope 1 emissions cover emissions arising from sources under the Bank's direct control. In this context, greenhouse gas emissions arising from fuel consumption, generator use and in-building activities are taken into account. The relevant greenhouse gases are considered in calculations in tonnes of CO_2 equivalent (tCO_2e).

Scope 2 emissions include indirect emissions arising from purchased electricity used in the Bank's activities. There is no consumption of other energy types such as steam, heating or cooling within the scope of the Bank's operational activities. Emission calculations related to electricity consumption are carried out using the location-based method, and the Electricity Generation and Electricity Consumption Point Emission Factor of Türkiye published by the Ministry of Energy and Natural Resources is used as the basis. As no current renewable energy certificate was purchased during the current reporting period, emissions arising from electricity consumption were calculated using the location-based method.

Scope 3 greenhouse gas emissions cover indirect emissions arising throughout the Bank's value chain. Due to the nature of banking activities, these emissions mainly include financed emissions arising from loan and investment portfolios.

In the 2025 reporting period, an exemption is also applied to the calculation of Scope 3 emissions due to data accessibility, the scope of information obtained from counterparties and methodological limitations. In this respect, calculations regarding Scope 3 emissions are addressed only to the extent of the Bank's available data sets, and quantitative disclosures covering the entire value chain are not included in this period.[4]

Where direct measurement is not possible in the calculation of greenhouse gas emissions, emission factors and reasonable assumptions are used. Calculations are carried out using the operational control approach in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004), and emission factors obtained from national and international sources valid as of the reporting date are used as the basis. This methodology has been adopted because the Bank has operational control over the relevant emission sources and is responsible for managing environmental performance.

Table 8: Absolute Greenhouse Gas Emissions (Gross)

Greenhouse Gas Emissions (Gross)	2024 Value (tCO_2e)	2025 Value (tCO_2e)
Consolidated Scope 1 - Direct Greenhouse Gas (GHG) Emissions	22628.67	20876.77
Consolidated Scope 2 - Indirect Energy Greenhouse Gas (GHG) Emissions (Location-Based)	38392.74	39889.97
Solo[5] Scope 3 - Other Indirect Greenhouse Gas (GHG) Emissions	18700.06	19941.68
Category 1: Purchased Goods and Services	427.51	724.29
Category 3: Fuel- and Energy-Related Activities (Not Included in Scope 1 or Scope 2)	12339.81	12653.05
Category 5: Waste Generated in Operations	3.35	2.23
Category 6: Business Travel	2505.01	2945.87
Category 7: Employee Commuting	3424.38	3616.24

The Bank, in line with the TSRS framework, gives first priority to the direct reduction of operational emissions in the management of greenhouse gas emissions and plans to purchase renewable energy certificates for a portion of the electricity consumed in line with its emission reduction targets. In this context, the Bank adopts structural measures aimed at increasing energy efficiency, improving resource use and reducing emissions in operational processes as its main strategy.

Uncertainties that may arise during the measurement process are assessed within the framework of data quality, scope limitations and estimation methods used, and explanations regarding such uncertainties are provided within the scope of reporting.

In line with developments in data coverage, methodology and measurement capacity, it is aimed to increase the scope and level of detail of greenhouse gas emission calculations in future periods.

[4] With respect to 2025 exemption for Scope 3 emissions, only the Bank's own emissions have been disclosed. Details regarding emission calculations are included in the Reporting Guide section of the 2025 Integrated Annual Report, and you can access the relevant report *here*.

[5] *Scope 5 emissions are the Bank's own standalone emissions.*

4.3. INTERNAL CARBON PRICING AND FINANCIAL IMPACTS

Halkbank is conducting studies on a shadow carbon pricing approach in order to assess and manage climate-related transition risks. In this respect, internal carbon pricing is addressed not as a mechanism that creates a direct financial obligation for the Bank, but as an analytical tool used to understand climate transition risks, analyse financial impacts arising from energy consumption and support decision-making processes.

The Bank's greenhouse gas emissions inventory is prepared in accordance with the requirements published under TSRS 2, and the largest emission item in the current reporting period consists of Scope 2 emissions. Therefore, the Bank's works regarding internal carbon pricing are mainly based on operational energy consumption data.

As of the 2025 reporting period, there is not yet a defined internal carbon price used in investment decisions, budgeting or financial planning processes within the Bank. Work on the methodological framework required to be disclosed under TSRS is ongoing, and processes aimed at developing the methodology, data infrastructure and areas of use required for the implementation of shadow carbon pricing are continuing.

It is aimed that analyses regarding internal carbon pricing will be further developed in future periods for the purposes of:

- prioritising energy efficiency investments,
- strengthening operational cost management, and
- providing input to long-term financial planning processes

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4.4. SUSTAINABILITY AND CLIMATE TARGETS

In order to effectively manage climate-related risks and opportunities, Halkbank has established metrics and targets aimed at increasing the share of green investments, reducing greenhouse gas emissions and addressing environmental risks through an integrated approach. These metrics and targets have been established in line with the Bank's credit policies and sustainable finance approach and are regularly monitored and reported.

The specified indicators have been structured to cover the Bank's operational activities as well as its loan and investment portfolio. Progress is monitored annually, and the data obtained are reported to the Sustainability Committee. Some of the relevant metrics have been defined as performance criteria in senior management performance evaluation and bonus systems, thereby establishing a direct link between climate targets and corporate performance.

In the 2025 reporting period, in order to strengthen the metrics and targets section in line with TSRS 2 requirements, the classification of target types as "quantitative" and "qualitative" was added to the headings in the target table provided in the previous year. This update aims to ensure a clearer understanding of the nature of the targets, increase comparability and enable more transparent monitoring of the performance of the relevant indicators. The new classification contributes to more comprehensive monitoring of sustainability performance by clarifying the distinction between measurable targets and policy- and process-based development targets. In addition, while planning its long-term transformation in line with its 2050 net-zero target, Halkbank also determines interim emission targets and regularly monitors progress.

The targets under the previous reporting period relating to converting the vehicles used in building management services to electric vehicles and certifying all domestic subsidiaries in operation as of 2025 under ISO 14001 and ISO 50001 standards have been successfully completed. Therefore, these targets are not included in Table 9.

4.4. SUSTAINABILITY AND CLIMATE TARGETS

Table 9. 2025 Targets

Absolute/Intensity	Metric	Target Type (Quantitative /Qualitative)	Target	Base Year	Target Year	2024 Progress Status	2025 Progress Status	Action Plan
Intensity Target	Ratio of SME segment loans to the total commercial loan portfolio (%)	Quantitative	By 2026, increase the share of SME segment loans extended to customers falling within the statutory SME classification to 50% of the total commercial loan portfolio (cash + non-cash)	Yok[6]	2026	48.3%	46%[7]	In order to meet the needs of SMEs, one of the cornerstones of productive Türkiye, with fast, effective and high-quality solutions and thereby enable them to contribute more to the national economy, Halkbank is continuously developing through strategies aimed at increasing cooperation with regional development agencies and loans extended through KOSGEB and the Credit Guarantee Fund.
Absolute Target	Emission amounts (tonnes of CO_2e)	Quantitative	Reduce Scope 1+2 emissions by 50.4% by 2032	2021	2032	0%	0%	It is planned to source electricity consumption, one of the largest operational emission items, from renewable energy sources.
Absolute Target	Emission intensity arising from electricity generation (tonnes of CO_2e/MWh)	Quantitative	By 2032, reduce emissions arising from electricity generation activities financed by project finance loans in the loan portfolio by 52.6% per MWh	2021	2032	77.90%	76.80%	It is planned to continue lending activities that support the green transformation of sectors.

[6] *The relevant target is considered separately for each reporting period. It is targeted that SME loans account for 50% of the total year-end commercial loan portfolio in each reporting period.*
[7] *The relevant target is measured based on the achievement logic. It was achieved at 46% in 2025.*

Absolute/Intensity	Metric	Target Type (Quantitative/ Qualitative)	Target	Base Year	Target Year	2024 Progress Status	2025 Progress Status	Action Plan
Absolute Target	Emission intensity related to other electricity generation activities (tons CO_2e/MWh)	Quantitative	To reduce emissions from other electricity generation activities in the loan portfolio by 73.8% per MWh by 2032	2021	2032	92%	100%	It is planned to continue lending activities that support the green transformation of sectors.
Absolute Target	Emission intensity related to commercial real estate (tons CO_2e/m^2)	Quantitative	To reduce emissions from commercial real estate in the loan portfolio by 60% per square meter by 2032	2021	2032	12.30%	17.80%	It is planned to continue lending activities that support the green transformation of sectors.
Intensity Target	Share of green investments in investment loans (%)	Quantitative	To increase the share of green investments in investment loans to 25%	N/A	N/A	16.51%	18.55%[8]	Expansion of sustainable finance products, prioritization of green project financing, and integration of environmental eligibility criteria into credit assessment processes for investment loans
-	CDP Score	Qualitative	To obtain an A score in at least one of the CDP reporting modules	Yok	Yok	An A score was obtained in the CDP Climate Change category.	An A score was obtained in the CDP Climate Change and Water Security categories.	It is planned to maintain and improve CDP performance by enhancing governance, risk management, data collection and reporting processes in the areas of climate change, water security and sustainability.

[8] *The relevant target is measured based on the actual achievement. The achievement for 2025 was 18.55%.*

4.4. SUSTAINABILITY AND CLIMATE TARGETS

Science-Based Targets on the Path to Net Zero

In line with the targets set within the framework of the Science Based Targets initiative (SBTi), the Bank aims to reduce its absolute Scope 1 and Scope 2 greenhouse gas emissions by 50.4% by 2032, using 2021 as the base year. These targets have been implemented as of 2025, and the Bank's emission reduction performance within the scope of its operational activities is regularly monitored. Asset class-based targets have also been set for the reduction of Scope 3 emissions.

It is targeted to reduce greenhouse gas emissions from the real estate loan portfolio by 60% per square meter by 2032 compared to 2021. In the field of electricity generation financing, it is targeted to reduce greenhouse gas emissions from the electricity generation project finance portfolio by 52.6% per MWh and emissions related to the electricity generation sector in the corporate loan portfolio by 73.8% per MWh. In addition, the Bank has set targets to reduce portfolio temperature scores for its long-term corporate loan, listed equity, corporate bond and private equity portfolios. Accordingly, it is targeted to reduce the Scope 1 and 2 portfolio temperature score from 3.2°C in 2021 to 2.67°C by 2028 and the Scope 1, 2 and 3 portfolio temperature score to 2.76°C.

Net-Zero Banking Alliance Program (NZBA)

Halkbank continues its long-term approach of aligning its loan and investment portfolio with the net-zero emissions target by 2050. Accordingly, it continues to use as a reference the sectoral decarbonization targets it developed in the past within the framework of the Net-Zero Banking Alliance (NZBA). However, following the termination of the membership system of the NZBA program by the relevant institution, the Bank has discontinued reporting under this framework. In parallel with this development, Halkbank has updated its sustainability indicators and disclosures regarding net-zero alignment in accordance with the TSRS standards and removed previous-period references to the NZBA from the scope of reporting. The Bank continues its efforts in line with the TSRS framework regarding the management of climate risks and the monitoring of sustainability targets.

Climate Transition Plan, Target Management and Performance Monitoring Framework

Halkbank has established a concrete framework for its commitment and responsibility towards a sustainable future through its Climate Transition Plan. This plan has been prepared to reduce the Bank's environmental impacts and fulfill its responsibility in combating climate change. In line with its 2050 net-zero emissions target, the Bank aims to make its operational activities and loan portfolio more resilient to climate-related risks. In this context, energy efficiency and waste management practices and practices aimed at reducing the carbon footprint are regularly monitored.

In the processes of setting and monitoring its climate targets, the Bank takes into account different climate scenarios, global and national data sets, sector-based transition pathways and Türkiye's 2053 Net-Zero Emissions Target. In this frame, the development of emission calculation methodologies and the improvement of data quality are among the priority areas of work.

Through the Enterprise Energy Management System (EEMS), developed for the effective monitoring of operational environmental performance, electricity consumption at service locations, as well as data related to temperature, humidity, light intensity, carbon dioxide levels and air conditioning systems, are monitored and managed in real time through sensors and analyzers. This contributes to optimizing energy consumption and using resources more efficiently.

In line with its goal of reducing the environmental impacts arising from its operational activities, the Bank continues the transition to electric vehicles in its corporate vehicle fleet. For this purpose, the number of electric vehicles used by the Bank has increased significantly in recent years, and efforts to expand low-carbon transportation solutions have gained momentum. The transition to electric vehicles has prevented approximately 3,500 tons of CO_2e emissions annually. In the coming period, it is planned to continue efforts towards the transition of corporate vehicles with determination in line with operational efficiency and environmental sustainability targets. On the other hand, under the project to keep branch signage switched off outside working hours, carried out within the scope of energy efficiency practices, it is targeted to save approximately 2.8 million kWh of electricity annually and consequently achieve an emission reduction of approximately 1,220 tCO_2e.

The Bank also addresses the environmental and social impacts of its supply chain holistically as part of its sustainability policy. In line with this policy, indicators such as compliance with legislation, energy and water use, waste and emission management, occupational health and safety, and the prevention of child labor and forced labor are taken into account in supplier selection and evaluations. In the event that non-compliance with policy requirements is identified, corrective actions may be requested from the relevant suppliers. Accordingly, the Bank has subjected its suppliers involved in environmental investments to sustainability performance assessments under the Supplier Assessment Model. As a result of the assessments conducted, suppliers' sustainability performance results were calculated and priority areas for improvement were identified. Commitments have been obtained from suppliers to implement actions such as submitting corrective action plans for the identified areas for improvement, establishing the necessary policies and procedures, participating in target-oriented training and capacity-building programs, and complying with certification processes where necessary. As a result of reassessments conducted following these actions, a visible improvement in suppliers' sustainability performance was observed.

During 2025, approximately TRY 1.5 billion was spent on environmental investments, and 100% of suppliers involved in environmental investments were assessed under the Supplier Assessment Model. Efforts are ongoing to extend sustainability performance assessments to be carried out in line with the Model across all procurement processes.

4.5. SECTOR-SPECIFIC ESG METRICS AND ALIGNMENT WITH INTERNATIONAL STANDARDS

Halkbank uses sector-specific metrics to monitor, assess and manage sustainability and climate-related risks and opportunities. The Bank's operational structure, loan portfolio and financial products are taken into account when determining the metrics used. The TSRS 2 Appendix Volume 16 Commercial Banks guidance is used as the primary reference in the selection and calculation of metrics, while the SASB Banking Standard, the Greenhouse Gas Protocol (GHG Protocol) and, where appropriate, the Science Based Targets initiative (SBTi) methodologies are used in establishing the relevant indicators.

The main sector-specific metrics used by the Bank include greenhouse gas emissions (Scope 1, Scope 2 and Scope 3), energy consumption and energy efficiency indicators, and indicators relating to the volume of green financing. These metrics are structured by taking into account the Bank's lending activities, investment financing processes and operational activities and are used as inputs in risk management, strategic planning and performance monitoring processes.

Sector-based metrics are periodically monitored within the scope of the Bank's sustainability reporting process, and the relevant indicators are assessed and disclosed to the public for each annual reporting period. The calculation methods for the metrics, the data sources used, the activities included within the scope and the methodological assumptions are presented in the following tables and explanations, while efforts to improve data quality and expand the scope continue. The scope of the metric set is continuously updated in line with developments in regulatory requirements and progress in the data infrastructure, thereby aiming to strengthen the scope and quality of sustainability reporting.

The sector-specific metrics disclosed within the scope of TSRS 2 Appendix Volume 16 are presented in the following tables.

Table 10: Sustainability Disclosure Topics and Metrics

Subject	Metric	Category	Unit of Measurement	Code	2025
Integration of Environmental, Social and Governance Factors into Credit Analysis	Description of the approach to integrating environmental, social and governance (ESG) factors into credit analysis	Discussion and Analysis	None	FN-CB-410a.2	Matters relating to the environmental and social impacts of companies applying for credit are analyzed through the Sustainability and Environment questionnaires included in the Company Rating Reports. 1.2. This is detailed in the section titled Integration of Risk Management, Internal Control and Assurance Mechanisms.

Table 11: Activity Metrics

Activity Metric	Checking and Savings Accounts	Number		Value (TRY thousand)	
		2024	2025	2024	2025
By segment: number and value of checking and savings accounts for retail and small business customers	Individual	28833620	33889473	1058189050	1,397205.151
	Small Business*	6889552	7354985	308171671	399366788
By segment: number and value of retail, small business and corporate loans	Individual	4095585	4038719	96048790	151.747105
	Small Business*	2298336	2171579	593550094	805578854
	Corporate	42414	41146	470646224	636244630

**The scope of small businesses has been determined according to the statutory SME criteria.*

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