



TSRS-COMPLIANT SUSTAINABILITY REPORT | 2024



Table of Contents

1. Introduction	4
About the Report	4
About Fibabanka	6
2. Governance	8
2.1 Corporate Governance	8
2.2 Authorities and Responsibilities in Governance	8
2.3 Events After the Reporting Date	12
3. Sustainability Strategy	13
3.1 Integration of Sustainability and Climate Change into Strategy and Decision-Making	13
3.2 Climate-related Risks and Opportunities	14
3.3 Business Model and Value Chain	15
3.4 Climate Resilience	18
3.5 Events After the Reporting Date	18
4. Risk Management	19
4.1 Fibabanka's Risk Management Approach	19
4.2 Risk Management Structure	19
4.3 Corporate Support and Control Mechanisms	21
5. Metrics and Targets	22
5.1 Climate-related Metrics	22
5.2 Our Climate-Focused Targets	25
6. Sector Appendices	27
Disclosures in Accordance with the Industry-Based Guidance for the Application of TSRS 2	27
7. Annexes	28
TSRS Alignment Table	28
Assurance Report	30



1. INTRODUCTION

About the Report

Compliance with Türkiye Sustainability Reporting Standards (TSRS)

Fibabanka A.Ş. is committed to presenting its financial and non-financial performance to all stakeholders in a transparent, holistic, and accountable manner, guided by its long-term value creation objectives. Following the publication of the Türkiye Sustainability Reporting Standards (TSRS) in the Official Gazette on December 29, 2023, Fibabanka A.Ş., regulated and supervised by the Capital Markets Board, is obliged to prepare its reports in compliance with TSRS as of January 1, 2024.

Link to Financial Disclosures (Connected information)

Prepared in line with this obligation, the Fibabanka 2024 TSRS Report has been structured to fully comply with TSRS 1 “General Requirements for the Disclosure of Sustainability-related Financial Information” and TSRS 2 “Climate-related Disclosures” in parallel with the financial statements. The year-end 2024 financial statements are available on the Bank’s [website](#).

Reporting Period and Location of Disclosures

The report presents financial and non-financial information for the period from January 1 to December 31, 2024, using an integrated approach.

Transitional Provisions

TSRS provides certain transitional exemptions for the first reporting period in which the standards are applied. The Company has applied specific transitional exemptions in accordance with Articles E3, E4, E5, and E6 of TSRS 1 and items C3, C4, and C5 of TSRS 2.

Within the scope of the transitional exemptions,

TSRS 1-E3 and TSRS 2-C3: an entity is not required to disclose comparative information in the first annual reporting period in which it applies TSRS. The report covers only the 2024 reporting period, and sustainability- and climate-related financial disclosures for previous years are not included.

TSRS 1-E4: In the first annual reporting period in which an entity applies TSRS, the company is permitted to report its sustainability-related financial disclosures after it publishes its related financial statements. The Company is publishing this report alongside the Q2 2025 financial statements.

TSRS 1-E5: In the first annual reporting period in which an entity applies TSRS, the entity is permitted to disclose information on only climate-related risks and opportunities (in accordance with TSRS 2) and consequently apply the requirements in TSRS 1 only insofar as they relate to the disclosure of information on climate-related risks and opportunities. Within the scope of this report, the Company addresses only climate-related risks and opportunities. However, information on governance, strategy, and risk management covers all sustainability topics, including climate.

TSRS 1-E6(a): in the first annual reporting period in which the entity applies TSRS, it is not required to disclose comparative information about its climate-related risks and opportunities. The Company discloses climate-related risks and opportunities only for the 2024 reporting period.

Board Decision on the Scope of Application of Türkiye Sustainability Reporting Standards – Provisional Article 3: An entity is not required to disclose Scope 3 greenhouse gas emissions during the first two annual reporting periods in which TSRS is applied. Accordingly, the Company has not included Scope 3 greenhouse gas emissions for 2024 in this report.

While the Company was entitled to an exemption under item C4 of TSRS 2, it has included disclosures on the matter in the report in line with the requirements of the item.

TSRS 2-C4(a): if, in the annual reporting period immediately preceding the date of initial application of TSRS, the entity used a method for measuring its greenhouse gas emissions other than the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), the entity is permitted to continue using the same method. The Company has measured emissions for both previous and the current reporting periods in accordance with the GHG Protocol, under the “Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard”.

Reporting Boundaries and Measurement Approach

The scope of the Fibabanka 2024 TSRS Report includes all subsidiaries and associates subject to consolidation and is fully aligned with the financial statements presented in the Fibabanka 2024 Annual Report. Sustainability-related risk analyses, target-setting processes, and monitoring of TSRS indicators cover not only Fiba Portföy Yönetimi A.Ş., which is a subsidiary reported using the full consolidation method, but also HDI Fiba Emeklilik ve Hayat A.Ş. and Fiba Sigorta A.Ş., which are the associated companies accounted for using the equity method.

In preparing the report, the “TSRS 2 Industry-Based Guidance Report, Volume 16: Commercial Banks” was taken into account to ensure alignment with the Company’s activities. Sustainability topics and indicators relevant to the sector were included, while metrics not directly related to the business model were excluded.

Principle of Neutrality

The information presented in this first TSRS-compliant report has been subject to a limited assurance engagement by the independent audit firm KPMG Bağımsız Denetim ve Serbest Muhasebesi Mali Müşavirlik A.Ş. The Independent Auditor’s Limited Assurance Report can be found on page 30 of the relevant sections of the report.

This report, covering Fibabanka’s sustainability strategy, performance, and future targets, aims to provide all stakeholders with transparent, reliable, and comparable data. For comments, questions, or feedback regarding the report, stakeholders may contact fibabankasurdurulebilirlik@fibabanka.com.tr.





About Fibabanka

On December 27, 2010, Fibabanka joined the Fiba Group, an organization with a strong and long-standing heritage. The Bank, then operating under the name Millennium Bank A.Ş., was acquired by the Fiba Group from Millennium BCP Participações SGPS and its name was changed to Fibabanka A.Ş. following the Extraordinary General Assembly held on April 25, 2011.

As of year-end 2024, Fiba Holding A.Ş. holds the majority stake in Fibabanka with a 69.23% shareholding. International Finance Corporation (IFC) holds 6.21%, the European Bank for Reconstruction and Development (EBRD) holds 8.96%, and TurkFinance B.V. (Franklin Templeton) holds 9.95% of the bank shares.

With a focus on delivering a seamless banking experience by fully digitalizing its banking services end-to-end, Fibabanka operates across the following business lines: Corporate and Commercial Banking, Ecosystem and Platform Banking, Retail Loan Product Management, and Deposit, Investment and Insurance Product Management, as well as Private & Prestige Banking.

Fibabanka's consolidated financial results and key operational indicators as of year-end 2024 are presented in the table below:

2024	million TL
Total Assets	130,199
Total Loans (Net)	66,638
Customer Deposits	82,287
Shareholder's Equity	15,770
Net Profit	6,364

2024	
Number of Employees	1,684
Number of Branches	38
Total Number of Customers	7,341,000

Having become one of the institutions shaping the future of the financial system in Türkiye's digitalization journey, Fibabanka continues to strengthen its position in the sector each year through its approach focused on sustainable growth, innovation, and customer satisfaction.

Guided by its "Agile thinking, agile solutions" approach and the strategy of "Being wherever the customer is", the Bank is committed to leveraging advanced technology investments to design financial solutions that will meet customers' future financial needs, while expanding the accessibility of its products and services through the full digitalization of all banking operations. Recognized for its strong commitment to customer satisfaction, Fibabanka has moved beyond the boundaries of traditional banking and positioned itself as a pioneer of transformation in the financial sector through its investments in digitalization and technology.

The Bank pursues three core strategic priorities: customer satisfaction, employee engagement, and return on equity, and aims to become a digital bank delivering a seamless banking experience to more than 10 million customers.

Embracing corporate governance principles, Fibabanka operates with a responsible, transparent, fair, and accountable structure. Guided by its core values of respect, results orientation, and integrity, the Bank continues its journey of sustainable growth with determination, supported by a strong capital base and strategic partnerships.

Details regarding Fibabanka's subsidiaries and affiliates are presented below:

Fiba Portföy Yönetimi A.Ş.

As Fiba Group's strong representative in investment management, Fiba Portföy Yönetimi A.Ş. serves as a reliable partner in the capital markets through its comprehensive range of products offered to individual and institutional investors.

As of December 31, 2024, Fiba Portföy's funds under management totaled TL 104 billion, total assets amounted to TL 384 million, and net profit reached TL 188.4 million. According to CMB data at year-end 2024, the Company ranks 14th in the sector with a 1.6% market share based on the total portfolio it manages.

HDI Fiba Emeklilik ve Hayat A.Ş.

Having started its operations in 2012 under the Fiba Group as Fiba Emeklilik ve Hayat A.Ş., the Company was acquired in 2022 by Fibabanka and HDI Sigorta, the Turkish representative of the German insurance giant Talanx, renowned for its international insurance expertise. Since December 2022, the Company has been operating under the name HDI Fiba Emeklilik ve Hayat A.Ş., with 60% shares held by HDI Sigorta and 40% by Fibabanka. The Company is a robust provider of financial security, offering a broad range of products in individual pension and life insurance.

HDI Fiba Emeklilik ve Hayat A.Ş., aspiring to be one of the leading companies in its sector in Türkiye, achieved a pre-tax profit of TL 514.2 million in 2024. The Company's asset size rose by 51% to TL 23.8 billion, while the private pension fund size also increased by 51% to TL 21.4 billion. Additionally, premium production surged by 121% to TL 2.7 billion. Considering the sector statistics for year-end 2024, the Company ranks 10th in terms of premium production and 10th in terms of private pension fund size.

¹ Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş. is a non-financial subsidiary.

Fiba Sigorta A.Ş.

Founded at the end of 2022, Fiba Sigorta A.Ş. is a digital insurance company established through a 50%-50% partnership between Fibabanka and HDI Sigorta. It operates in the elementary field, utilizing a new generation insurance approach. The Company is an insurance provider that develops innovative, customer-focused solutions, offering robust coverage against risks faced by individuals and organizations. With approximately 13,000 physical and online sales points, the Company has the largest credit sales network and aims to maximize customer experience through digital-focused service channels and a strong operational infrastructure. Leveraging its digital system infrastructure and strong support from sales teams, Fiba Sigorta increased its 2024 premium production by 131%, reaching approximately TL 1.4 billion.

Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş.¹

Through Finberg, a wholly owned affiliate established in 2018, the Bank actively contributes to Türkiye's entrepreneurship ecosystem. Supporting innovative ventures in financial technology (fintech), retail technologies, AI-driven business models, and cybersecurity, Finberg has invested a total of USD 70 million and maintained 55 active investments by the end of 2024.

Fiba Yatırım Menkul Değerler A.Ş.

The Capital Markets Board (CMB) approved Fibabanka's application to establish a brokerage house called Fiba Yatırım Menkul Değerler A.Ş. in its bulletin dated December 5, 2024, under number 2024/55. The company was subsequently incorporated on January 3, 2025. Fiba Yatırım Menkul Değerler A.Ş. is planned to commence operations in August 2025.



2. GOVERNANCE

2.1 Corporate Governance

Fibabanka aims to create sustainable value and generate long-term impact for all its stakeholders through an effective structure based on corporate governance principles. The Bank conducts its management processes with a commitment to transparency, accountability, inclusion, and ethical standards. Contributing to the United Nations Sustainable Development Goals is considered a strategic priority, and in this context, particular emphasis is placed on the holistic integration of sustainability management into the corporate structure.

The corporate governance framework is carried out under the leadership of the Board of Directors, through the effective collaboration of its committees and the relevant working groups operating under these committees.

2.2 Authorities and Responsibilities in Governance

Board of Directors' Oversight and Guidance Function

The Board of Directors serves as the highest decision-making body of Fibabanka, defining the Bank's long-term strategic direction, overseeing risks, and shaping a stakeholder-oriented governance approach. The Board assumes active responsibility for integrating sustainability principles into the Bank's strategic decision-making and implementation processes. The Board's oversight and guidance functions play a key role in ensuring the effective management of sustainability matters.

The Board supports the integration of environmental, social and governance (ESG) strategies into business processes and leads the establishment of the necessary organizational structures to this end. Under the Board's oversight, the corporate structure operates in line with a holistic approach that integrates policy development, risk analysis, target-setting, implementation and performance evaluation in the area of sustainability. To strengthen the effectiveness of these processes, sustainability matters are regularly reviewed through Board committees and their working groups, with guidance provided as needed.

Within this structure, the Sustainability Committee is responsible for defining, implementing, and monitoring the Bank's sustainability strategy. The Committee evaluates key priorities, targets, and performance indicators in the areas of Environmental, Social, and Governance (ESG) and regularly reports relevant developments to senior management.

To support the integration of sustainability considerations into the Bank's overall strategy, practices are disseminated and institutional awareness is enhanced through working groups comprising representatives from different business units. Through this structure, sustainability is addressed not merely as a policy area but also as a strategic element embedded in decision-making processes.

In defining its sustainability strategies, the Board of Directors considers not only stakeholder expectations but also the United Nations Sustainable Development Goals (SDGs), climate action, digital transformation, and inclusive economic growth. The priority areas identified in this context serve as key reference points in the Bank's long-term value creation process. The Board closely monitors developments in these areas through periodic reporting, performance indicators, and internal audit results, and ensures that strategic actions are taken and relevant policies or processes are updated when necessary.

Committees Supporting the Board of Directors

The committees within Fibabanka's corporate governance structure are organized to support the oversight and auditing functions of the Board of Directors. These committees provide expertise in the areas of sustainability, risk management, audit, and strategy, thereby contributing to a comprehensive decision-making process. Regular communication and information sharing among the committees ensure that sustainability approaches are developed in alignment with, and fully integrated into, the Bank's overall strategy.

The evaluation results, internal control findings, and strategic recommendations of the relevant committees are communicated to the Board of Directors through periodic reporting, thereby providing informed input into decision-making processes. The coordination mechanisms established through these structures facilitate the mainstreaming of sustainability issues across the organization and strengthen institutional awareness.

Audit Committee: is responsible for overseeing the accuracy of the Bank's financial reporting processes, the effectiveness of internal control systems, and the adequacy of internal and external audit activities.

Corporate Governance Committee: is in charge of monitoring compliance with corporate governance principles, providing recommendations for improvements in this area, and evaluating the structures of the Board of Directors.

Credit Committee: is responsible for ensuring that credit allocation processes comply with the Bank's policies, as well as for the evaluation and approval of credit decisions.

Remuneration Committee: is responsible for ensuring that the Bank's remuneration policies are designed and implemented with fairness, transparency, and a performance-based approach. Currently, there is no integration of climate-related performance targets into management remuneration policies. Relevant updates and integrations are planned to be made within these policies in the future.

Information Technology Strategy and Steering Committee: is responsible for planning, monitoring, and guiding the Bank's IT strategies in line with corporate objectives.

Information Security Committee: is responsible for developing and implementing information security strategies and ensuring compliance with applicable regulations.

Risk Management Committee: is responsible for the identification and monitoring of financial and operational risks of the Bank, and ensuring the implementation of risk management policies.

Sustainability Committee: is responsible for implementing the Bank's environmental, social, and governance (ESG) strategies, ensuring sustainability targets are achieved, and stakeholder expectations are met.

Sustainability Committee

The Sustainability Committee was established within Fibabanka in 2024 to support and guide the effective implementation of the Bank's sustainability strategy across the organization. The Committee is responsible for coordinating the Bank's activities in environmental, social, and governance (ESG) areas, ensuring alignment with strategic objectives, and regularly assessing related risks and opportunities.





The committee members appointed by the Board of Directors consist of senior executives with expertise in sustainability, environment, energy management, corporate social responsibility, and governance, and include at least one member of the Board of Directors. The committee is responsible for assessing sustainability-related risks and opportunities, monitoring progress against relevant targets, and reporting to the Board on a regular basis. In line with the issues on its agenda, the committee obtains information from relevant departments and ensures the integration of sustainability matters into corporate decision-making processes.

The core responsibilities of the Committee include defining the sustainability strategy, developing ESG policies, managing climate-related risks and opportunities, evaluating sustainable finance practices, monitoring projects aimed at environmental efficiency, and regularly tracking sustainability performance. In addition, the Committee's oversight extends to stakeholder engagement, ethical principles, human rights, diversity, and social responsibility initiatives related to gender equality.

The Committee evaluates the necessary policies and practices to ensure compliance with national and international sustainability regulations (such as the European Green Deal, CBAM, and the EU Taxonomy), while also developing risk management strategies and regularly analyzing ESG-related risks. Sustainable finance opportunities, ESG-oriented investments, and green product development are also included within the Committee's areas of responsibility.

Scheduled to meet at least three times a year, the Committee reports its assessments and decisions to the Board of Directors, monitors the Bank's performance through

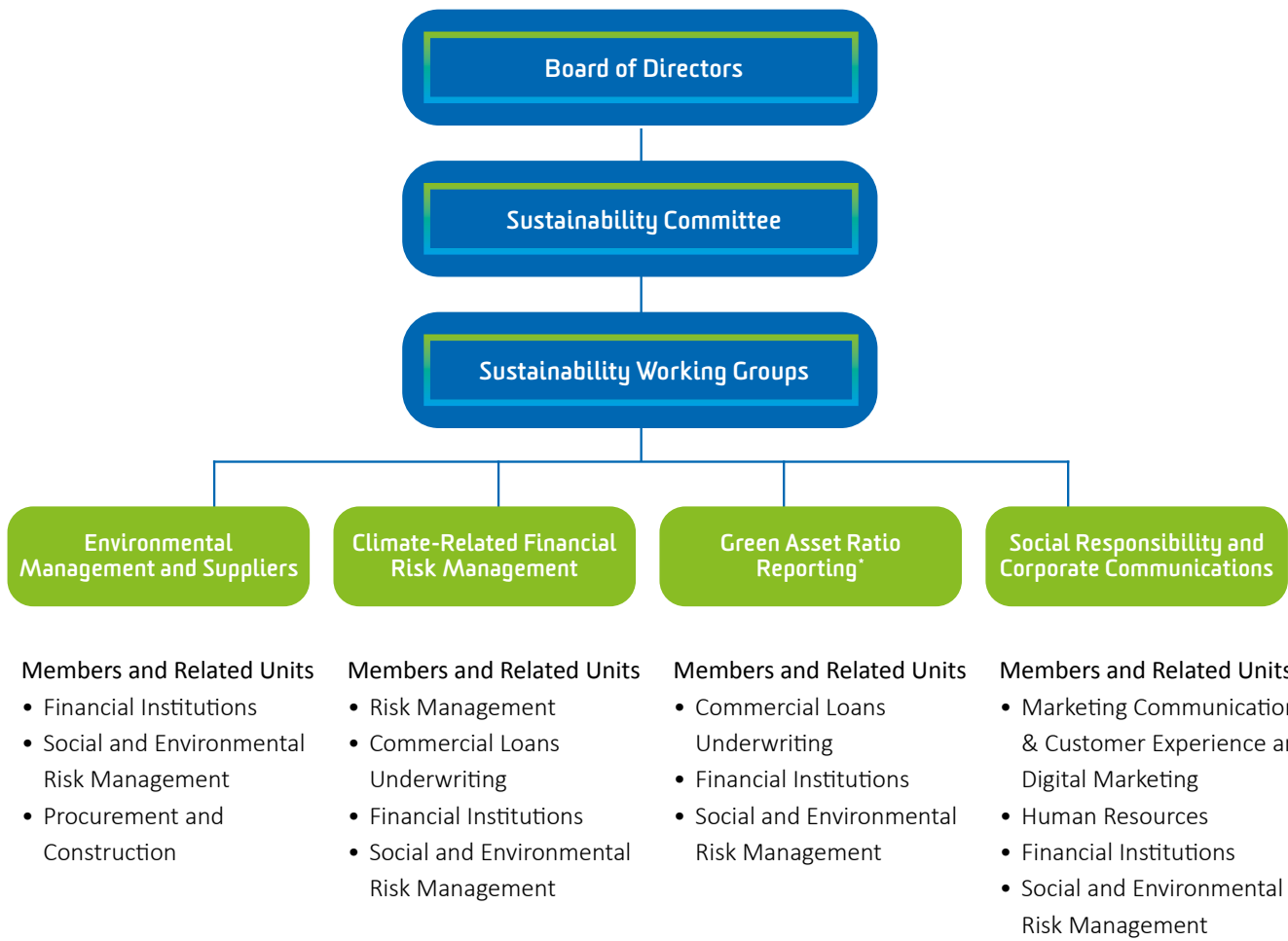
sustainability indicators, and identifies areas for improvement. The Committee's procedures are regularly reviewed and updated in line with market dynamics, regulatory changes, and best international practices.

This framework ensures that sustainability becomes a strategic element integrated into Fibabanka's decision-making processes, enhancing corporate awareness and promoting sustainable value creation across the organization.

Sustainability Committee - Working Groups

As of 2024, three sub-working groups have been established within Fibabanka to support sustainability efforts. These include the "Environmental Management and Suppliers Working Group", the "Climate-Related Financial Risk Management Working Group" and the "Social Responsibility and Corporate Communications Working Group", each assuming responsibilities within the sustainability agenda. The groups have implemented concrete initiatives focused on priority sustainability areas, including environmental impact management, human capital development, and social contribution. They have supported the organization-wide adoption of these sustainability topics while engaging in ongoing dialogue with the Sustainability Committee.

Each working group takes ownership of its thematic area, aiming to develop policy recommendations, action plans, and implementation models that contribute to the Bank's strategic objectives. Through this structure, the Bank seeks to enhance internal awareness, integrate sustainability principles into operational processes, and strengthen internal control mechanisms. Operating in regular communication with the Committee, these groups are also expected to provide high-quality data and insights to support the monitoring and reporting of sustainability performance.



Environmental Management and Suppliers Working Group: The group focuses on initiatives aimed at minimizing environmental impacts including those related to energy, water, and waste management, while advancing sustainable supply chain practices.

Climate-Related Financial Risk Management Working Group: This group is responsible for assessing the physical and transition risks of climate change on the Bank, integrating these risks into the Bank's risk management processes, and enhancing corporate resilience through scenario analyses.

Green Asset Ratio Reporting Working Group*: This group aims to develop the Bank's processes for classifying, monitoring, and reporting green assets in order to ensure compliance with the Turkish Sustainable Banking Taxonomy and related regulatory frameworks.

Social Responsibility and Corporate Communications Working Group: The group aims to enhance the Bank's corporate responsibility framework by implementing initiatives across social impact areas, including inclusion, gender equality, volunteer programs, and transparent sustainability communication.

* The group started operations in 2025.



2.3 Events After the Reporting Date

To promote a more comprehensive adoption of Fibabanka's sustainability approach across the organization, accelerate implementation of the sustainability strategy, systematically address stakeholder expectations, the Bank has extended the responsibilities of the working groups under the Sustainability Committee and launched a Green Asset Ratio Reporting Working Group in 2025.

In 2025, the Bank took two significant steps to strengthen its corporate framework at the policy level. Within this scope, the Environmental Policy was established for the first time, covering areas such as environmental impact management, resource efficiency, climate action, and regulatory compliance. The Sustainability Policy, also implemented in the same year, outlines the Bank's strategic ESG approach and sets fundamental principles for aligning targets with stakeholder expectations, development of sustainable business models, and performance monitoring.

Both policies guide operational processes while contributing to the assurance of sustainability performance through monitoring and control mechanisms.

Fibabanka adopts a holistic approach to managing climate-related risks in order to address the impacts of climate change on the financial system. Within this framework, the Climate Risk Management Project integrated transition risks into the system in 2024, followed by the incorporation of assessment tools for physical climate risks in 2025. With the project fully commissioned, the integration of climate-related risks into business processes was completed as of 2025, and procedures for integrating these risks into loan proposal assessments are being gradually introduced. These initiatives allow the Bank to more effectively identify, measure, and manage climate-related risks, thereby enhancing its sustainable financial resilience.



3. SUSTAINABILITY STRATEGY

3.1 Integration of Sustainability and Climate Change into Strategy and Decision-Making

Fibabanka's core strategy is built on three pillars: high customer satisfaction, employee engagement, and return on equity. Guided by its vision of becoming "Türkiye's Most Beloved Bank", Fibabanka operates with the approach of "We understand quickly, we solve quickly" and a strategy focused on being "Being wherever the customer is". As part of its strategy to become a digital bank with over 10 million customers, Fibabanka is dedicated to designing financial solutions that will meet customers' future financial needs, while investing in advanced technology to offer a seamless banking experience by digitizing all its services.

Since its establishment, Fibabanka has operated with a strong sense of social responsibility, carrying the mission of creating sustainable value for all its stakeholders. Recognizing that better service for customers, a key stakeholder group, can only be achieved through responsible, transparent, and fair governance, the Bank continuously aligns its corporate structure and human resources with its sustainability objectives.

In line with this mission, during 2024 the Bank established a Sustainability Committee reporting to the Board of Directors, supported by three working groups consisting of Environmental Management and Suppliers, Climate-Related Financial Risk Management, and Social Responsibility and Corporate Communications. This structure allows sustainability to be addressed at the senior management level and enables focused attention on matters including sustainability and climate-related risks and opportunities.

In addition, the Bank has identified, through risk analysis, a set of high-priority sustainability topics critical to its operations. These mainly include Customer-Oriented Digitalization and Innovation, Cybersecurity and Data Privacy, Financial Performance and Value Creation, Agile Organization, Talent Management and Employee Engagement, as well as Ethics, Regulatory Compliance and Corporate Governance, Business Continuity and Integrated Risk Management, Equal Opportunity, Diversity and Inclusive Growth, Natural Capital Conservation and Climate Action, and Social Contribution and Investments.



3.2 Climate-related Risks and Opportunities

In identifying its climate-related risks and opportunities, Fibabanka has, in line with TSRS 1 and TSRS 2 standards, taken into account the best sectoral practices and the Global Risks for 2024 as announced by the World Economic Forum. The Bank assessed the current and anticipated impacts of these risks, the areas in which they are concentrated, and their implications across the business model and value chain. It has disclosed both the actions taken and those planned in response to the identified risks. Benefiting from the transitional provisions of the first reporting year, the Bank disclosed only its climate-related risks and opportunities. To prioritize the identified climate risks internally, risk scoring was conducted in accordance with the Board-approved Risk Appetite Policy, considering probability, reputational impact, regulatory compliance impact, operational impact, and financial impact. The financial impact of the risks was scored based on their effect on Profit Before Tax (PBT).

Financial Impact	Reputational Impact	Operational Impact	Regulatory Compliance Impact	Score
No impact	No impact	No operational disruption	No compliance requirement	0
<1% decrease/increase in Profit Before Tax	Insignificant impact	Minor disruption; quickly recoverable	Minor non-compliance, low-level penalty	1
1–5% decrease/increase in Profit Before Tax	Limited reputational impact; attracts limited attention	Temporary (intraday) disruption; partial business interruption	Potential legal sanction. Special information/meeting request by Regulatory Authority.	2
5–15% decrease/increase in Profit Before Tax	Reputational damage; limited media coverage	Medium-term disruption (exceeding one business day); partial business interruption	Leads to penal sanctions. Corrective action request and on-site inspection by Regulatory Authority.	3
>15% decrease/increase in Profit Before Tax	Significant reputational loss; widespread media coverage	Long-term disruption; suspension of operations	Results in substantial penal sanctions. Risk of license withdrawal.	4

The Bank has categorized climate-related physical and transition risks, together with their associated opportunities, according to short-, medium-, and long-term time horizons. The time horizons have been defined by considering the potential impacts of these risks on the Bank’s operations, value chain, and financial performance. The identified risks have been integrated into the Bank’s strategy in line with their respective time horizons.

Time Horizon	Years
Short	0-1
Medium	1-5
Long	5 and above



3.3 Business Model and Value Chain

Climate-related risks and opportunities are disclosed together with their current and anticipated impacts on Fibabanka’s business model and value chain. The Bank evaluates each risk and opportunity in relation to its areas of impact in its operations and across the value chain. In this assessment, the Bank places emphasis on its customers at the core of its strategy, while also evaluating the impacts in the context of its digitalization-oriented business model and overall banking operations.

The identification, monitoring, mitigation, and prevention of the Bank’s climate-related risks are carried out by the Risk Management Department, under the oversight and responsibility of the Audit Committee and the Risk Committee. The integration of these risks and opportunities into the Bank’s sustainability strategy falls under the responsibility of the Sustainability Committee, established in 2024, and is implemented through the activities of the Climate-related Financial Risk Management working group.

The Committee and its subordinate working groups play an active role in assessing the Bank’s sustainability and climate-related activities, as well as in shaping its sustainability strategy. The Sustainability Committee provides the Board of Directors with regular updates on the Bank’s sustainability activities and seeks its approval where necessary.

In line with the Bank’s Board-approved Risk Appetite Policy, the threshold for financial materiality has been set at “5% or more of profit before tax”. Based on the risk assessment conducted, the climate-related risks identified for the Bank, its affiliates and subsidiaries were determined to be below the financial materiality threshold. However, details of those risks and opportunities considered relevant for disclosure have been included in the following sections of this report. While many of the risks of subsidiaries and affiliates are aligned with those of the Bank, they have not been separately disclosed, as they fall below the financial materiality threshold.



Climate-Related Risks

Risk Definition	Time Interval	Risk Type	Impacts on Business Strategy and Decision-Making Mechanism		Climate Risk Focus Areas		Existing and Anticipated Actions to Address the Risk
			Business Model	Value Chain	Business Model	Value Chain	
Damage to the workplace and operational interruptions caused by extreme weather events such as tornadoes, lightning, heavy rainfall, wind, floods, and hurricanes	Medium Term	Physical Risk	- Service disruptions at branches due to extreme weather events - Operational costs may arise from physical damage caused by floods or storms. - Additional operational costs may be incurred for preventive improvement or development activities (e.g., equipment renewal, maintenance) aimed at mitigating the potential impacts of the risk.	- Damaged branches and service interruptions may lead to customer dissatisfaction. - Revenue from customers may decrease due to service disruptions.	Branches	Customers	- The Bank focuses on digital channels and operates with a limited number of branches. - Operations continue uninterrupted through remote work arrangements with employees at different locations. - The office building in Ankara covers both the Bank and its affiliates; a strategy to back up human resources outside Istanbul is being implemented. - The Bank's Disaster Recovery Center (back-up system) is in Ankara. - An Emergency Action Plan exists. - Efforts are ongoing to move the Primary Data Center to Ankara. - Efforts are underway to expand the use of digital channels among commercial customers.
New regulations implemented for the transition to a low-carbon economy, such as the Carbon Border Adjustment Mechanism (CBAM), and customers unable to adapt to changing market conditions may negatively affect the Bank's revenues and asset quality	Medium Term	Transition Risk	Düzenlemeye tabi olan tüzel müşterilerin kredi ödemelerinde olumsuzluklar yaşanabilir.	-	Emisyon yoğun ve düzenlemelere tabi sektörlerdeki müşteriler	-	Geçiş risklerinin kredi ve risk politikalarına entegrasyonu sağlanmasına yönelik çalışmalar yürütülmektedir.



Climate-Related Opportunity

Risk Description	Time Interval	Impacts on Business Strategy and Decision-Making Mechanism		Area Where the Opportunity Is Concentrated		Existing and Anticipated Actions
		Business Model	Value Chain	Business Model	Value Chain	
Integration of environmental criteria into risk assessments and financial strategies, embedding sustainability into existing procedures to help reduce credit and financial risks	Medium Term	Positive impact on financial performance through reduced credit risk	Reduced probability of credit default through integration of climate risks	Commercial entities	-	- Projects are being conducted with external consultants in the lending process. - The scope of portfolios under assessment is planned to be expanded.



3.4 Climate Resilience

To assess the current and anticipated impacts of identified climate-related risks and opportunities, the Bank has conducted both quantitative and qualitative analyses based on available data. In 2025, the impact of transition risks on the credit portfolio was evaluated as part of the Board-approved Internal Capital Adequacy Assessment Process (ICAAP) report. This analysis was prepared with reference to the document published by the BRSA in December 2022, titled “Potential Impacts of the European Union Carbon Border Adjustment Mechanism on the Turkish Banking Sector Credit Portfolio”.

Within the framework of the aforementioned document, scenario analyses were conducted for the cement, electricity, fertilizer, iron-steel, and aluminum sectors. In addition, the analyses were detailed by considering the Bank’s corporate and commercial customer segmentation; the impact of transition risks on customers’ credit ratings and the resulting changes in provisions were examined, and the effects on provisions were calculated. Two different scenarios were applied in the relevant study:

1. Deterioration of credit ratings based on customers’ transition scores and the resulting changes in provisions;
2. Placement of certain customers under Stage 3 following the deterioration of their credit ratings.

Based on these analyses, the risk was determined to be “low” within the scope of the Bank’s Risk Appetite Policy, as approved by the Board of Directors. In addition, in the context of climate change, the potential impacts of physical risks caused by extreme weather events such as tornadoes, lightning, heavy rainfall, strong winds, floods, and hurricanes

on operations and financial structure, including damage to facilities or operational interruptions, were qualitatively assessed at the sectoral level. However, it was not possible to quantitatively calculate the direct financial impacts of these risks due to the absence of customer- or sector-specific data. The main reasons for this are as follows:

1. The locations of customer operations do not align with the geographic data used in NGFS (Network for Greening the Financial System) scenarios;
2. NGFS data covers only broad geographic regions and does not provide facility-level details; and
3. Data on historical damage records and infrastructure information for customer facilities are not available.

Within this framework, in accordance with paragraphs 19–21 of TSRS S2:

- Under paragraph 19(a) of TSRS 2, detailed analysis could not be conducted due to insufficient data infrastructure to identify impacts separately.
- Under paragraph 19(b) of TSRS 2, the numerical outputs obtained were considered unreliable because estimates based on the available data involved significant uncertainty.
- Under paragraph 20 of TSRS 2, quantitative analysis could not be performed due to the insufficiency of both regional climate scenarios and customer-level infrastructure data.

Accordingly, the Bank plans to continue conducting more comprehensive scenario analyses in 2025, which will include the modeling of physical risks.

3.5 Events After the Reporting Date

Fibabanka has established the “Green Asset Ratio Reporting” working group under the Sustainability Committee, which reports to the Board of Directors, to support compliance with, and reporting processes under, the Communiqué on the Calculation of Banks’ Green Asset Ratio.

Established in 2025, the primary purpose of this group is to facilitate taxonomy compliance assessments and to ensure that the Green Asset Ratio is accurately and consistently calculated and reported.



4. RISK MANAGEMENT

4.1 Fibabanka’s Risk Management Approach

Fibabanka conducts its operations based on a strong risk culture shaped by the principles of sustainability, reliability, and transparency. In line with this approach, and as stipulated in regulations, the Bank has established adequate and effective internal systems that are compatible with the scope and structure of its activities, adaptable to changing conditions, and encompassing all branches and units, to ensure the monitoring and control of the risks it is exposed to. Units within the internal systems operate under the supervision of the Board of Directors within the Bank’s organizational structure. Within this framework, the risks to which the Bank is or may be exposed, the methods for measuring these risks, and the policies and strategies for risk management for each risk type, as well as the acceptable risk levels and related implementation procedures, have been formally documented and risk limits have been allocated.

The Bank defines its risk appetite and, to foster an effective organization-wide risk management approach, continuously updates its business segments on market developments, emerging risks, and risk mitigation strategies.

As a component of the internal systems framework, the Risk Management Department conducts multi-dimensional, data-driven analyses of the market, credit, operational, interest rate, and liquidity risks to which the Bank may be exposed within the framework of a holistic risk management approach. It conducts regular measurement, monitoring, and reporting activities on a daily, weekly, monthly, and annual basis. These analyses are regularly reviewed by the Asset-Liability Committee and the Risk Committee, providing senior management with strategic decision-making support. Risk management activities are supported by modern information technologies and advanced analytical tools, allowing timely identification and proactive management of risks.

4.2. Risk Management Structure

Fibabanka’s Risk Management Department is composed of five distinct units, each operating within its area of expertise:

Market Risk Unit: Manages core market risks such as foreign exchange risk, interest rate risk, and liquidity risk. It monitors interest rate risk arising from trading portfolios and banking accounts through detailed analyses.

Capital Planning and Operational Risk Unit: Measures credit risk, counterparty credit risk, and operational risk in line with Basel requirements, and conducts the capital adequacy process on both a solo and consolidated basis. For operational risk, it conducts the recording of loss data in the database at both solo and consolidated levels, while also preparing and planning internal operational risk training programs for the Bank.

Additionally, as part of the ICAAP process, the Bank evaluates internal capital adequacy on both a solo and con-

solidated basis through stress testing and develops action plans as required. It supports coordinated work with other relevant business units in the identification and quantification of climate-related risks.

Within the Business Continuity and Support Services function, and as part of operational risk management and sustainability governance, the Bank completed annual business continuity analyses and exercises throughout 2024 to ensure the uninterrupted continuity of critical processes. Recovery objectives (RTO, RPO, MTO) were updated, and the feasibility of emergency and crisis management plans was tested. Climate change-related risks were integrated into business continuity plans, enhancing preparedness for power outage events. Supplier performance was monitored to ensure continuity of support services. Furthermore, sustainability and crisis management awareness training was provided to employees, contributing to the development of resilience awareness across the Bank.





Modeling and Validation Unit: develops internal rating systems, early warning models, and TSRS 9-compliant provisioning models. The outputs of these models are regularly analyzed, and the accuracy of models developed by different business units within the Bank is tested through regular validation processes. In addition, it manages the preparation of reports under the scope of the Asset-Liability Committee (ALCO).

Corporate and Commercial Banking Decision Support Unit: develops decision models and rating systems to systematize credit processes in corporate segments. Effective credit policies are supported by segment-based analyses.

Retail and Ecosystem Banking Decision Support Unit: conducts portfolio analyses and integrates decision support systems for retail and ecosystem customers, thereby supporting sustainable and balanced growth strategies.

Control Systems Supporting Risk Management: To ensure the effective implementation of corporate risk management, the banking sector widely adopts the “Three Lines of Defense” approach, which is based on the clear segregation of duties and responsibilities in the identification, management, and monitoring of risks. Within this model, the first line of defense consists of business units and operational processes that directly manage risks, while the second line of defense is formed by the Internal Control and Compliance units, which provide control and compliance mechanisms.

The third line of defense is formed by the Internal Audit unit, which carries out the independent audit function. This structure ensures that risks are monitored and managed holistically and systematically across the Bank.

Risk management activities are supported under the three-lines-of-defense approach through the Internal Control, Internal Audit, and Compliance functions:

The Internal Control Department operates under the Audit Committee, conducting controls over processes and information systems in accordance with international standards. The team includes specialists holding professional certifications such as CIA, CISA, and CFE.

The Inspection Board conducts branch and process audits in line with annual audit plans, ensuring that all Bank activities comply with international auditing principles through an independent and impartial approach.

The Legal and Compliance Department oversees the conduct of the Bank’s activities in accordance with applicable regulations, internal policies, and ethical standards. It also ensures compliance with legal obligations related to anti-money laundering and the prevention of terrorist financing.

4.3 Corporate Support and Control Mechanisms

To ensure the systematic implementation of its sustainability approach at the corporate level, Fibabanka has established a comprehensive control and support mechanism across environmental, social, and governance (ESG) areas. Through the Social and Environmental Risk Management Unit, established in 2022, the Bank aims to coordinate sustainability efforts across the organization and align them effectively with operational processes.

Environmental, social, and governance (ESG) assessment processes are structured in line with the Bank’s Social and Environmental Responsibility Policy and are carried out through a system established on the basis of the performance standards of the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD). Within this framework, Fibabanka subjects all commercial loans it extends, regardless of loan amount, to evaluation against ESG criteria.

Established in 2022, the Social and Environmental Risk Management Unit coordinates sustainability initiatives across the Bank and provides technical support to business units in managing environmental and social impact processes. In line with the Draft Guideline on the Effective Management of Climate-Related Financial Risks by Banks, published by the BRSA in September 2023, the Bank received consultancy services and undertook efforts to transform its environmental, social, and governance system into a structure that also enables risk assessment and monitoring.

In this context, the Bank’s financing-related Transition Climate Risks were assessed in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Sectoral transition risk sensitivities were identified, leading to the development of a Transition Risk Assessment Model and a Sectoral Transition Risk Heat Map. The model was validated by Fibabanka’s risk management team and its integration into the core banking system was completed in 2025. In addition, the Bank’s financing-related Physical Climate Risks were evaluated in accordance with TCFD recommendations, and infrastructure and risk modeling studies were conducted to support the management of these risks. Within the scope of physical risks, quantitative assessments and risk modeling were carried out for Türkiye’s 81 provinces for the periods 2021–2040 and 2040–2060, based on the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) 4.5 and 8.5 scenarios and focusing on projected physical climate hazards. As part of this process, criteria for physical risk assessment were established, acute and chronic physical climate risks were defined, sectoral physical risk sensitivities were determined, and a Physical Risk Assessment Model was developed. The model’s validation by the Bank’s risk management team and its integration into the core banking system are planned to be finalized by the end of 2025.

Through the established support and control mechanisms, Fibabanka enhances its corporate sustainability performance in areas such as monitoring environmental and social impacts, managing climate risks, and ensuring compliance with governance principles. By developing a structure aligned with sustainable finance principles, the Bank fosters long-term value creation.





METRICS AND TARGETS

Fibabanka systematically monitors environmental, social, and governance (ESG) metrics to ensure transparency and accountability in its sustainability performance, and aligns its performance targets with these metrics. The sustainability objectives defined with a focus on TSRS are also aligned with the Sustainable Development Goals (SDGs). In this context, measurement, monitoring, and reporting processes are continuously enhanced. In the first reporting year, only climate-related metrics and targets have been disclosed under the TSRS framework. Nonetheless, the reporting approach is guided by the principles of transparency, accountability, and continuous improvement in addressing climate change. This section outlines the Bank's key indicators and its short- and medium-term targets, aligned with its climate change mitigation and adaptation strategies.

5.1 Climate-related Metrics

The Scope 1 and Scope 2 emissions of our Bank, its subsidiaries, and affiliates measured during the reporting year in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) are as follows:

Company	Scope 1 (t CO ₂ e)	Scope 2 (t CO ₂ e)	Total (t CO ₂ e)
		(Location-Based)	(Location-Based)
Fibabanka	1,021.68	1,992.78	3,014.46
Fiba Portföy Yönetimi	20.30	20.62	40.92
Fiba Sigorta	5.75	5.73	11.48
HDI Fiba Emeklilik	26.52	7.83	34.35
Total	1,074.25	2,026.96	3,101.21

Greenhouse Gas Emissions Calculation Methodology

In reporting its greenhouse gas (GHG) emissions, Fibabanka has adopted **the Equity Share Approach in line with the Greenhouse Gas Protocol**. Under this methodology, the emissions from all subsidiaries and affiliates in which the Bank holds an equity interest are accounted for in proportion to its shares held and incorporated into the reporting boundary. The Equity Share Approach reflects the consolidation of emissions based on the percentage of shares a company holds in another entity. The Bank's GHG inventory does not include any fuel oil consumption.

The primary reason for adopting this approach is to ensure that environmental performance data are presented in a manner that is consistent with the shareholding structure reflected in the Bank's consolidated financial statements, thereby enhancing comparability and transparency.

Presenting sustainability data on the basis of shareholding ratios, in an integrated manner with financial information, provides both internal and external stakeholders with a clearer ownership perspective and enables more detailed analyses in decision-making processes.

The equity share-based reporting approach demonstrates the Bank's ownership-based approach to responsibility and accountability in sustainability management. Within this framework, greenhouse gas emission data from subsidiaries and affiliates in which the Bank holds an equity interest are regularly collected and calculated in proportion to the shareholding ratio, in line with national and international standards and under a common methodology. This structure enables the Bank to manage its sustainability strategy effectively by accounting not only for the environmental impacts of its own direct operations, but also for its attributable share of the impacts of all entities in which it holds an equity stake.

The **Scope 1 emissions** arising from sources directly controlled by the Bank are generated from the following activities:

- Natural gas consumption (based on invoice records)
- Diesel consumption for generator use (based on invoice records)
- Greenhouse gas emissions from CO₂ fire extinguishers (based on maintenance forms and invoice records)
- Greenhouse gas emissions from FM200 (HFC227ea) automatic fire suppression systems (based on maintenance forms and invoice records)
- Diesel and gasoline consumption from company vehicles (based on invoice records)
- Greenhouse gas emissions from cooling systems (based on maintenance forms and invoice records)

During the reporting period, our Bank's **Scope 2 emissions** consisted of indirect greenhouse gas emissions from energy consumption, primarily electricity purchased and natural gas consumed. Scope 2 emissions are reported using both the market-based and location-based approaches. Electricity is sourced from the Turkish national grid. The inclusion of natural gas consumption within Scope 2 reflects usage in shared locations, such as branch offices, where natural gas is procured as part of building operations. Accordingly, these consumptions are classified under the purchased energy category within Scope 2.

The emission factors used in the calculation of Scope 1 and Scope 2 greenhouse gas emissions are derived from the following national and international guidelines:

Scope 1 Emission Calculation Formula:

Fuel-Related Emissions (E_{fuel}) = ((Activity Data (AD) × Emission Factor (CO₂)) / 1000) + ((Activity Data (AD) × Emission Factor (CH₄)) / 1000) + (Activity Data (AD) × Emission Factor (N₂O) / 1000) × Oxidation Factor

Combustion-Related Emission Factors (diesel, natural gas): "IPCC Guidelines for National Greenhouse Gas Inventories Chapter 2: Stationary Combustion- Volume 2: Energy" Intergovernmental Panel on Climate Change 2006 Table 2.4 Default Emission Factors for Stationary Combustion in the Commercial/Institutional Category

Vehicle-Related Emission Factors (gasoline, diesel): "IPCC Guidelines for National Greenhouse Gas Inventories Chapter 3: Mobile Combustion- Volume 2: Energy Intergovernmental Panel on Climate Change 2006"

Equation 3.2.1. CO₂, from Road Transport

Table 3.2.1. Road Transport Default CO₂, Emissions Factors and Uncertainty Ranges

Table 3.2.2 Road Transport N₂O and CH₄ Default Emissions Factors and Uncertainty Ranges

For greenhouse gas emissions from fire extinguishers and cooling systems, the factors from the IPCC AR6 Assessment Report were applied

Scope 2 Emission Calculation Formula:

Purchased Electricity: (Consumption×EmissionFactor/1000)–(Procured Renewable Energy Amount × Emission Factor/1000)

Electricity Emission Factor: The electricity emission factor published by the Ministry of Energy and Natural Resources of the Republic of Türkiye on December 6, 2024, based on 2022 data, has been used (0.442 tCO₂-eq/MWh).

Purchased Energy: Fuel-Related Emissions (E_{fuel}) = ((Activity Data (AD) × Emission Factor (CO₂) / 1000) + (Activity Data (AD) × Emission Factor (CH₄) / 1000) + (Activity Data (AD) × Emission Factor (N₂O) / 1000)) × Oxidation Factor

Combustion-Related Emission Factors (diesel, natural gas): "IPCC Guidelines for National Greenhouse Gas Inventories Chapter 2: Stationary Combustion- Volume 2: Energy"





Metrics	Description/Values
Greenhouse gas emissions	Fibabanka's emission values are presented under the "Climate-Related Metrics" section of the report.
Assets Vulnerable to Climate-Related Physical Risks and Percentage	These data have not been calculated, as doing so would require disproportionate cost and effort, in line with the "reasonable and supportable information" criteria specified in paragraphs B9 and B10 of TSRS 1. This assessment will be revisited in future reporting periods if conditions change.
Assets Vulnerable to Climate-Related Transition Risks and Percentage	
Climate-Related Opportunities	Information on opportunities disclosed by Fibabanka is included in the "Business Model and Value Chain" section of the report.
Capital allocation	No data are available regarding capital allocation for climate-related risks and opportunities. A formal institutional approach has not yet been implemented in this area.
Internal Carbon Pricing	During the reporting period, neither Fibabanka nor its subsidiaries used carbon credits. Consequently, there is no structured framework regarding the type of carbon credits, verification/certification programs, or the extent to which they may be used to achieve targets. Should carbon credit initiatives be adopted in the future, only internationally recognized programs with high environmental integrity will be considered, while nature-based or technological solutions will be considered to ensure additional and permanent emission reductions. In addition, the Bank does not apply internal carbon pricing in its decision-making processes.
Remuneration	The remuneration policy for Fibabanka's senior executives and those of its subsidiaries is determined based on performance, job description, industry benchmarks, and the company's overall financial objectives. However, no performance criteria or remuneration components directly linked to climate-related matters, including greenhouse gas emission reduction, the promotion of sustainable finance practices, or the management of environmental risks, have been established to date. Efforts are ongoing to enhance our governance framework and reward/incentive systems. In particular, the development of climate-related strategic targets and their integration into executive performance criteria is being considered for future reporting periods. As no performance indicators are directly linked to climate-related matters for the current reporting period, there is no portion of senior executive remuneration reflected in the financial statements that can be separately attributed to these considerations.
Sectoral Decarbonization Approach	Since the entity has not defined an emission reduction target, no information is available regarding whether its targets are based on any sectoral decarbonization approach. However, emission reduction targets and methodologies specific to the banking sector, such as initiatives like the Net-Zero Banking Alliance, are being closely monitored, and the integration of such approaches into future target-setting processes is planned.



5.2 Our Climate-Focused Targets

In developing its sustainability strategy, the Bank positions climate change mitigation as a core component. In this context, it defines goals to support transformation with an environmental sustainability focus and ensures that its activities are carried out in strong alignment with the relevant Sustainable Development Goals, particularly SDG 13: Climate Action. These climate-related targets guide sustainability-oriented practices both in operational activities and in the management of the financial portfolio. The defined targets are structured in alignment with sectoral developments, regulatory frameworks, and global sustainability expectations.

The Bank's principle of addressing its environmental responsibilities through a systematic and holistic approach forms the basis of its sustainability target implementation processes. To support the feasibility of these targets, efforts are continued on relevant timelines and monitoring indicators, adopting a structure that is aligned with internal processes and open to progress. In parallel, assessments are conducted to design data-driven systems that facilitate the measurement of impacts and tracking of progress. This process also strengthens the Bank's capacity to integrate climate-related risks and opportunities into strategic decision-making.

Fibabanka has identified the management of climate-related financial risks as a priority area within its corporate sustainability strategy. Accordingly, works have been initiated to systematically measure and assess transition and physical risks by 2026. This process, launched in 2023 in line with the "Guidance on Effective Management of Cli-

mate-Related Financial Risks by Banks", included, within the scope of consulting services received in 2023 and 2024, the development of a Transition Risk Assessment Model, a Sectoral Transition Risk Heat Map, and a Physical Risk Assessment Model. By the end of 2025, the Bank aims to conduct model validation using internal resources, implement necessary methodological updates, complete system integrations, and prepare and publish the procedure for assessing climate change risks. All these activities are regularly reviewed by the Sustainability and Risk Committee.

Aiming to enhance environmental sustainability performance and ensure efficient use of resources, Fibabanka implements a zero-waste approach in its operational processes. In this context, the Bank targets full integration of the Zero Waste System across all branches by the end of 2028. These initiatives are coordinated by the Procurement and Construction Unit, with progress regularly monitored by the Sustainability Committee.

Aiming to align its risk-based management approach with sustainability principles, Fibabanka aims to integrate Environmental, Social, and Governance (ESG) criteria into its existing risk management systems by the end of 2026. In this context, a systematic and metrics-based integration process is being implemented in line with the "Guidance on the Effective Management of Climate-Related Financial Risks by Banks". Progress toward this target is ensured by the Audit Committee, Risk Committee, and Sustainability Committee, with evaluations conducted periodically. Target metrics are reviewed at least annually and updated as needed in response to developments.



The targets defined under the sustainability strategy have been developed with input from relevant units and are set for execution through concrete actions. In this context, all targets have been reviewed by the Sustainability Committee, which ensures the governance of sustainability practices within the Bank, and have been approved by the authorized board.

Strategy Areas	Related High Priority Sustainability Topic	Targets	Unit	Base Year	Interim Targets and Action Plans
Environment	Protection of Natural Capital and Climate Action	Initiate measurement of the Bank's climate-related transition and physical risks by 2026	Year	July 2023 (Transition Risks) April 2024 (Physical Risks)	Integration of physical and transition risks into the system Transition Risks: • Development of methodology and calculation tools for transition risks by the end of 2024 • System integration completed by January 2025 • Validation process completed by June 2025 Physical Risks: • Development of methodology tools for physical risks by the end of 2024 • System integration completed by August 2025 • Validation process completed by the end of 2025 Joint Action • Procedure for assessing transition and physical risks published by the end of 2025
		Full integration of the Zero Waste System across all branches by 2028	Year, number of branches	January 2024	• By the end of 2026: Zero Waste System implemented in Antalya Agora Call Center and at least 40% of branches • By the end of 2027: Zero Waste System implemented in Ankara YDA campus and at least 70% of branches • By the end of 2028: Zero Waste practices and reporting implemented in all branches and branch-specific Zero Waste Certificates obtained
Governance	Business Continuity and Integrated Risk Management	Complete integration of Environmental, Social, and Governance (ESG) criteria into risk management systems by the end of 2026	Year	December 2024	• Regular reporting of monitoring metrics to be initiated by the end of 2025 • By the end of 2026, approved monitoring metrics to be integrated into existing risk management systems as risk appetite metrics

* The targets set for the year 2024 have been achieved as of the reporting period.



6. SECTOR APPENDICES

Disclosures in Accordance with the Industry-Based Guidance for the Application of TSRS 2

TSRS Volume-16 Commercial Banks

Commercial banks finance individuals, businesses, and projects by collecting deposits and providing loans. In this respect, they play a key role in the efficient allocation of resources in the economy. The sector is influenced by factors such as interest rates, economic conditions, and credit quality, while asset-liability mismatches are among the fundamental risk factors. The regulatory environment has undergone significant changes following the 2008 crisis. Commercial banks—especially those operating under multiple legal frameworks—face various challenges in ensuring regulatory compliance. This standard addresses only commercial banking services, which may not encompass all activities of integrated financial institutions such as investment banking and brokerage services, mortgage financing, consumer finance, asset management and custody services, and insurance. Separate standards address sustainability issues in those sectors.

Metric Type	Topic	Metric	Code	Fibabanka Explanation
Sustainability Disclosure Topics and Metrics	Integration of Environmental, Social, and Governance Factors into Credit Analysis	Description of the approach to incorporating ESG factors into credit analysis	FN-CB-410a.2	The Bank operates in accordance with its Social and Environmental Compliance Procedure. Detailed information on the procedure can be found in the “Corporate Support and Control Mechanisms” section.
Activity Metric	Activity Metrics	By segment: (a) retail and (b) small business, checking and savings (1) number and (2) value of accounts	FN-CB-000.A	(a.1) 4,436,484 accounts (a.2) TL 75,650,949,072 (b.1) 315,351 accounts (b.2) TL 2,620,137,507
	Activity Metrics	By segment: (a) retail, (b) small business, and (c) corporate, (1) number and (2) value of loans	FN-CB-000.B	(a.1) 592,195 loans (a.2) TL 16,515,085,906 (b.1) 80,544 loans (b.2) TL 35,651,401,614 (c.1) 381 loans (c.2) TL 15,096,168,760



7. ANNEXES

TSRS Alignment Table

Topic	TSRS Item		Description / Report Section
	TSRS S1	TSRS S2	
Governance	TSRS S1 26	TSRS S2 5	Governance
	TSRS S1 27	TSRS S2 6	Governance
	-	TSRS S2 7	Governance
Strategy	TSRS 1 28	TSRS 2 8	Supplementary guidance – disclosure not mandatory.
	TSRS 1 29	TSRS 2 9	Climate-related Risks and Opportunities
	TSRS 1 30	TSRS 2 10	Climate-related Risks and Opportunities
	TSRS 1 31	TSRS 2 11	Supplementary guidance – disclosure not mandatory.
	-	TSRS 2 12	Industry-based metrics defined in the TSRS 2 Industry-Based Implementation Guidance are included in the “Metrics and Targets” section of the report.
	TSRS 1 32	TSRS 2 13	Climate-related Risks and Opportunities
	TSRS 1 33	TSRS 2 14	Risks and Opportunities Table
	TSRS 1 34	TSRS 2 15	Climate-related Risks and Opportunities
	TSRS 1 35	TSRS 2 16	Climate-related Risks and Opportunities
	TSRS 1 36	TSRS 2 17	Supplementary guidance – disclosure not mandatory.
	TSRS 1 37	TSRS 2 18	Supplementary guidance – disclosure not mandatory.
	TSRS 1 38	TSRS 2 19	N/A
	TSRS 1 39	TSRS 2 20	Climate-related Risks and Opportunities
	TSRS 1 40	TSRS 2 21	Climate-related Risks and Opportunities
	TSRS 1 41	TSRS 2 22	Climate-related Risks and Opportunities
	TSRS 1 42	-	Climate-related Risks and Opportunities
	-	TSRS 2 23	Industry-based metrics defined in the TSRS 2 Industry-Based Implementation Guidance are included in the “Metrics and Targets” section of the report.
Risk Management	TSRS S1 43	TSRS S2 25	Fibabanka’s Risk Management Approach Risk Management Structure
	TSRS S1 44	TSRS S2 26	Climate-related Risks and Opportunities



Topic	TSRS Item		Description / Report Section
	TSRS S1	TSRS S2	
Metrics and Targets	TSRS 1 45	TSRS 2 27	Metrics and Targets
	TSRS 1 46	TSRS 2 28	Climate-Related Metrics, Our Climate-Focused Targets
	TSRS 1 47	-	Supplementary guidance – disclosure not mandatory.
	TSRS 1 48	-	As this is the first reporting year, under the transitional provisions recognized by TSRS, only climate-related disclosures are included for this period.
	TSRS 1 49	-	As this is the first reporting year, under the transitional provisions recognized by TSRS, only climate-related disclosures are included for this period.
	TSRS 1 50	-	As this is the first reporting year, under the transitional provisions recognized by TSRS, only climate-related disclosures are included for this period.
	TSRS 1 51	-	As this is the first reporting year, under the transitional provisions recognized by TSRS, only climate-related disclosures are included for this period.
	TSRS 1 52	-	Supplementary guidance – disclosure not mandatory.
	TSRS 1 53	-	Clarity and precision are ensured in the naming and definition of the metrics used.
	-	TSRS 2 29	Climate-related Metrics
	-	TSRS 2 30	Supplementary guidance – disclosure not mandatory.
	-	TSRS 2 31	Supplementary guidance – disclosure not mandatory.
	-	TSRS 2 32	Sector Appendices
	-	TSRS 2 33	Our Climate-Focused Targets
	-	TSRS 2 34	Our Climate-Focused Targets
	-	TSRS 2 35	Supplementary guidance – disclosure not mandatory.
	-	TSRS 2 36	No specific reduction target has been established for greenhouse gas emissions. Assessments and planning efforts for setting the relevant targets are ongoing.
	-	TSRS 2 37	Our Climate-Focused Targets

Assurance Report



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INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE INFORMATION PRESENTED BY FIBABANKA AŞ AND ITS SUBSIDIARY IN ACCORDANCE WITH THE TURKISH SUSTAINABILITY REPORTING STANDARDS

To the General Assembly of Fibabanka A.Ş.

We were engaged by Fibabanka A.Ş. ("the Company") and its subsidiaries (together will be referred to as "the Group") to provide limited assurance on the information ("Sustainability Information") presented in the TSRS-Compliant sustainability report for the year ended 31 December 2024 has been prepared in accordance with TSRS 1 General Requirements for Disclosure of Sustainability Related Financial Information and TSRS 2 Climate-related Disclosures (collectively referred to as "TSRS"), as published by the Public Oversight Accounting and Auditing Standards Authority ("POA").

Our assurance engagement does not cover any information other than the Sustainability Information provided in the website links included in the TSRS Compliant Sustainability Report.

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, as summarized under the heading "Summary of Work Performed as a Basis for the Assurance Conclusion," nothing has come to our attention that causes us to believe that the Group's Sustainability Information for the year ended 31 December 2024 has not been prepared, in all material respects, in accordance with the TSRS.

Emphasis of Matters

In the About the Report section of the TSRS-Compliant sustainability report, in its first annual reporting period in which the Group has applied the TSRS, the Group has disclosed only information related to climate-related risks and opportunities in accordance with TSRS 1, and information for the previous period has not been presented as comparative information. However, our conclusion is not modified in respect of this matter.

In the About the Report section of the TSRS-Compliant sustainability report, the Group has utilized the exemption from disclosing Scope 3 greenhouse gas emissions, which is valid for the first two years, in accordance with Provisional Article 3 of the Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards (TSRS) published in the Official Gazette dated 29 December 2023 and numbered 32414. Therefore, as the accompanying TSRS-Compliant sustainability report is the Group's first TSRS-Compliant sustainability report prepared in accordance with the TSRS, Scope 3 greenhouse gas emissions have not been disclosed. However, our conclusion is not modified in respect of this matter.



Inherent limitations in the preparation of the Sustainability Information

Sustainability Information contains climate-related scenario-based information that is subject to inherent uncertainty due to incomplete scientific and economic knowledge regarding the likelihood, timing, or effects of possible future physical and transitional climate-related events.

In addition, the quantification of greenhouse gases is also subject to inherent uncertainty due to the lack of sufficient scientific knowledge required to determine the values used for emission factors and to combine different gas emissions.

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

The Group's management is responsible for the following:

- The design, implementation, and maintenance of internal control as deemed necessary to ensure that the Sustainability Information is prepared free from material misstatement, whether due to fraud or error;
- The preparation of the Sustainability Information in accordance with the TSRS.
- Additionally, the Group's management is also responsible for selecting and applying appropriate sustainability reporting methods, as well as making reasonable assumptions and estimates that are appropriate to the circumstances.

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

Auditor's Responsibilities for the Limited Assurance Engagement on the Sustainability Information

We are responsible for the following:

- To plan and perform the engagement to obtain limited assurance about whether the Sustainability Information contains material misstatements, whether due to fraud or error.
- To reach an independent conclusion based on the evidence obtained and the procedures performed; and
- To communicate our conclusion to the Group management.

As we are responsible for expressing 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 such involvement could compromise our independence.

Application of Professional Standards

Our limited assurance engagement was conducted in accordance with Assurance Engagement Standard 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and Assurance Engagement Standard 3410 "Assurance Engagements on Greenhouse Gas Statements" as issued by the Public Oversight, Accounting and Auditing Standards Authority ("POA"). Our responsibilities under these assurance standards are described in detail in the *Auditor's Responsibilities for the Limited Assurance Engagement on the Sustainability Information* section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.



Güvence Raporu



Independence and Quality Management

We have complied with the independence requirements and other ethical provisions of the Code of Ethics for Independent Auditors (including Independence Standards) issued by POA, which is built upon the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

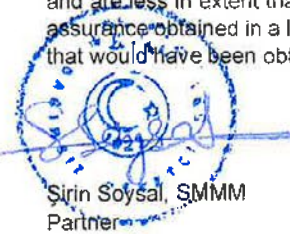
KPMG is responsible for implementing the provisions of Standard on Quality Management 1 ("SoQM 1") *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and for maintaining a comprehensive quality management system,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

Summary of Work Performed as a Basis for the Assurance Conclusion

We are required to plan and perform our work to address areas where we have identified a higher risk of material misstatement in the Sustainability Information. The procedures we apply are based on our professional judgment. In conducting our limited assurance engagement on the Sustainability Information:

- Interviews were conducted with key senior personnel of the Bank to understand the processes in place for obtaining the Sustainability Information for the reporting period;;
- Interviews were conducted with those responsible for the Sustainability Information.
- The Group's internal documentation was used to evaluate and review the sustainability-related information..
- An evaluation of the disclosure and presentation of the sustainability-related information was performed.
- Through inquiries, an understanding was obtained regarding the Group's control environment and information systems related to the preparation of the Sustainability Information. However, the design of specific control activities was not evaluated, no evidence was obtained regarding their implementation, and their operating effectiveness was not tested.
- The accuracy of the Sustainability Information was tested, on a sample basis, by comparing it with the Group's supporting documentation.
- The appropriateness of the Group's estimation methodologies and their consistent application were evaluated. However, our procedures did not include testing the data on which the estimates are based or developing our own estimates to assess those made by the Group.
- The selection of quantification methodologies and reporting policies for greenhouse gases was evaluated.

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


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İstanbul, Türkiye



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