

ENBD

DenizBank

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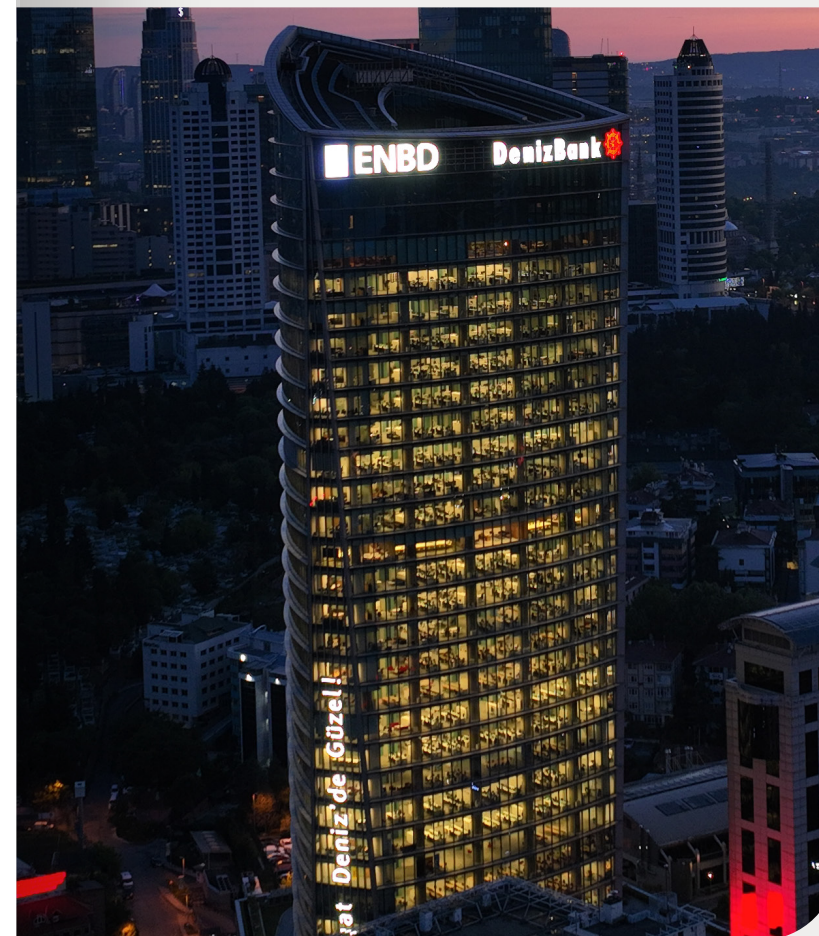


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## OBJECTIVE

In this report, the aim is to provide consolidated disclosures on sustainability-related risks and opportunities<sup>1</sup> in accordance with TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information, and climate-related risks and opportunities in accordance with TSRS 2 Climate-related Disclosures from Türkiye Sustainability Reporting Standards, as adopted into our national legislation. These disclosures are intended to be useful to primary users of general purpose financial reports in making decisions about providing resources to the entity<sup>2</sup>.



## SCOPE

This report has been prepared in accordance with TSRS 1 and TSRS 2, which were prepared by the Public Oversight, Accounting and Auditing Standards Authority (KGK) grounded in the international standards set by the International Sustainability Standards Board (ISSB), covering the financial reporting period of January 1 to December 31, 2024. Denizbank A.Ş. has prepared and reported its sustainability-related financial disclosures in compliance with TSRS 1<sup>3</sup>. Sustainability-related risks and opportunities that are not reasonably expected to affect the future financial viability of our companies have been excluded from the scope of this report<sup>4</sup>.

Due to the existence of the TSRS 2 standard, information that is required to be disclosed in relation to specific sustainability-related risks and opportunities has been explicitly addressed in the context of climate change<sup>5</sup>. Accordingly, TSRS 2 has been applied—primarily focusing on DenizBank, as the parent company within DenizBank Financial Services Group (DFSG)—for the preparation and reporting of financial disclosures regarding climate-related risks, including:

- (i) “Climate-related Physical Risks, and”
- (ii) “Climate-related Transition Risks”,

as well as the climate-related opportunities available to the entities<sup>6</sup>.

<sup>1</sup> TSRS 1, Purpose, Paragraph 1

<sup>2</sup> TSRS 2, Purpose, Paragraph 1

<sup>3</sup> TSRS 1, Scope, Paragraph 5

<sup>4</sup> TSRS 1, Scope, Paragraph 6

<sup>5</sup> TSRS 1, Scope, Paragraph 7

<sup>6</sup> TSRS 2, Scope, Paragraph 3

GENERAL REQUIREMENTS

Reporting Entity

In order to fulfil its TSRS reporting obligations, Denizbank A.Ş. has prepared its sustainability-related financial disclosures in alignment with group-wide information, taking into account the consolidated financial statements and business model of DFSG<sup>7</sup>. Accordingly, reporting has been carried out at the DFSG level wherever possible, in accordance with TSRS 1 and TSRS 2. This approach aims to enable users of general purpose financial reports to understand the effects of sustainability-related risks and opportunities on DFSG’s cash flows, access to finance, and cost of capital over the short, medium, and long term<sup>8</sup>.

Business Model and Value Chain<sup>9</sup>

DFSG is a diversified and integrated financial services group operating in banking, financial leasing and factoring, financial technology, information technology, digital payments, investment services, and real estate investment trust activities. Through its products and services offered in both the Turkish and international markets, the Group creates a broad value chain.

In line with TSRS 1, DFSG’s business model and value chain are defined from the perspective of upstream suppliers and business partners, internal operations, and downstream customers and service recipients. This structuring contributes to the more effective management of the Group’s sustainability-related risks and opportunities..

Value Chain Segment	Description	Subsidiaries
Upstream	Entities that support the Group’s operations, including suppliers of technology and services, software developers, infrastructure service providers, and financial resource providers.	Intertech → Development and maintenance of core banking and financial technology infrastructure across the Group

<sup>7</sup> TSRS 1, Conceptual foundations, Reporting entity, Paragraph 20, B38  
<sup>8</sup> TSRS 1, Appendix B Application guidance, B38, Paragraph 32  
<sup>9</sup> TSRS 1, Business model and value chain, Paragraph 32

Value Chain Segment	Description	Subsidiaries
Operations (DFSG Core Business Areas)	The Group’s internal processes for producing and delivering products and services. This includes providing financial services, developing digital platforms, and managing investment activities	<b>DenizBank</b> → Core banking services (retail, commercial, corporate, SME, and agricultural banking) <b>DenizBank AG (Austria)</b> → Banking operations in Europe <b>DenizBank Moscow (Russia)</b> → Banking operations in Russia <b>DenizLeasing</b> → Financial leasing solutions <b>DenizFactoring</b> → Factoring services <b>NEOHUB / DenizPay</b> → Digital payment and financial technology solutions <b>Intertech</b> → Management of core IT operational processes <b>DenizInvest</b> → Capital markets services, brokerage activities <b>DenizAsset Management</b> → Portfolio management and investment fund management <b>Deniz Real Estate Investment Trust (Deniz REIT)</b> → Real estate development and investment activities
Downstream	Delivery of services and products to end customers and business partners, management of customer relationships, and dissemination of sustainability impacts	Banking services for individual and commercial customers (DenizBank, DenizBank AG, DenizBank Moscow) Leasing and factoring services for SMEs and large enterprises (DenizLeasing, DenizFactoring) Digital payment and financial technology customers (NEOHUB, DenizPay) Capital market investors and institutional investors (DenizInvest, DenizAsset Management) Real estate investors (Deniz REIT) Other banks and business partners within the financial ecosystem

Timing of Reporting and Location of Disclosures

The sustainability and climate-related financial disclosures have been presented for the same reporting period as the related financial statements (01.01.2024 – 31.12.2024)<sup>10</sup>. In addition to the 2024 Integrated Annual Report of DenizBank (IAR), to ensure that the sustainability and climate-related financial disclosures are clearly identifiable and verifiable, Denizbank A.Ş.—as

the parent company within DFSG and subject to TSRS reporting obligations—has issued a separate TSRS-Aligned Sustainability Report at the DFSG level. Deniz Yatırım Menkul Kıymetler A.Ş.(DenizInvest), which is also subject to TSRS obligations within the Group, has prepared and disclosed a separate TSRS-Aligned Sustainability Report within the scope of its own organizational boundaries<sup>11</sup>.

<sup>10</sup> TSRS 1, General Requirements, Factoring reporting, Paragraph 64  
<sup>11</sup> TSRS 1, General Requirements, Location of disclosures, Paragraph 62

GENERAL REQUIREMENTS

Comparative Information

DFSG initiated its efforts to align its sustainability practices and the performance implications of those practices with TSRS by monitoring developments related to the IFRS general sustainability disclosure requirements<sup>12</sup>, even before the TSRS standards officially came into force. As evidence of this progress and commitment to TSRS compliance, the core content elements—Governance, Strategy, Risk Management, and Metrics & Targets—have been disclosed in a non-comparative manner<sup>13</sup> in accordance with the provisional article of the Board Decision on the Scope of TSRS Implementation, since this is the first reporting period<sup>14</sup>.

In the subsequent reporting periods, comparative information will be provided under the headings of Strategy, Risk Management, and Metrics & Targets, including material information regarding our identified sustainability and climate-related risks and opportunities.

Fair Presentation

In the context of fair presentation requirements, the sustainability and climate-

related risks and opportunities disclosed have, wherever possible, been linked to metrics that are reasonably expected to affect our business model. In cases where such linkage was not feasible as of the reporting period, qualitative descriptions of the relevant sustainability and climate-related risks and opportunities have been provided along with the necessary explanations<sup>15</sup>.

Connected Information

In presenting material information related to sustainability-related risks and opportunities, disclosures are made by taking into account the **linkages between** risks and opportunities themselves, as well as the relationship between this information in the context of the Group as a whole and its subsidiaries, such as the links<sup>17</sup> between Governance, Strategy, Risk Management and explanations on Metrics and Targets. In addition, the disclosures have been presented in a manner that ensures **connectivity with the published general purpose financial reports**<sup>18</sup>. Accordingly, the financial information related to sustainability-related risks and opportunities is **consistent with the consolidated financial statements**<sup>19</sup><sup>20</sup><sup>21</sup> disclosed in IAR.<sup>22</sup>

<sup>12</sup> <https://www.ifrs.org/sustainability/knowledge-hub/introduction-to-issb-and-ifrs-sustainability-disclosure-standards/>  
<sup>13</sup> TSRS Board Decision on the Scope of Application, Second Part, Transitional Provisions, Temporary Article 1  
<sup>14</sup> TSRS 1, General Requirements, Comparative Information, Paragraph 70  
<sup>15</sup> TSRS 1, Conceptual Foundations, Fair Presentation, Paragraph 15 (b)  
<sup>16</sup> TSRS 1, Conceptual Foundations, Fair Presentation, Paragraph 16  
<sup>17</sup> TSRS 1, Conceptual Foundations, Connected Information, Paragraph 21 (b) (i)  
<sup>18</sup> TSRS 1, Conceptual Foundations, Connected Information, Paragraph 21 (b) (ii)  
<sup>19</sup> TSRS 1, Conceptual Foundations, Connected Information, Paragraph 22  
<sup>20</sup> TSRS 1, Conceptual Foundations, Connected Information, Paragraph 23  
<sup>21</sup> TSRS 1, Conceptual Foundations, Connected Information, Paragraph 24  
<sup>22</sup> <https://www.denizbank.com//medium/document-file-9870.vsf>

Materiality

Materiality—DFSG’s entity-specific aspect of relevance—has been assessed by reference to the nature and/or magnitude of the sustainability-related matters concerned.

Accordingly, DFSG carried out a **materiality analysis** in 2023 to determine which sustainability topics have the greatest potential financial effect on the Group. The relative financial materiality of each topic was identified through a set of background analyses undertaken within that assessment.

First, **a common long list of sustainability topics**—those that both affect DFSG and over which DFSG can exert influence—was compiled. This long list served as the shared assessment universe across all background studies, which comprised:

This common evaluation universe formed the basis for the following five complementary analyses;

- 1. **External Trend Analysis** based on macro- and sector-level reports and guidelines, considering the parent and its subsidiaries;
- 2. **One-on-one Executive Interviews** conducted with members of senior management,
- 3. **SASB (Sustainability Accounting Standards Board) Impact Analysis**<sup>23</sup>, carried out across financial, environmental, and social materiality dimensions using the SASB Conceptual Framework<sup>24</sup> and industry-specific priority topics<sup>25</sup>,

- 4. **Strategic Analysis** linking DFSG’s core business strategy to sustainability topics; and,
- 5. **Stakeholder Analysis** conducted in alignment with the **AA1000SES Stakeholder Engagement Standard**<sup>26</sup>.

The stakeholder engagement carried out under AA1000SES is of particular significance in the context of determining materiality.

The materiality analysis was refreshed in 2024 to reflect current realities. The principal aims of the update were (i) to consolidate near-synonymous topics that had previously appeared in different tiers, making the outcome more readily understandable for DFSG stakeholders, and (ii) to establish, from a DenizBank-first perspective, a risk-and-opportunity universe that is both financially significant and reasonably connected at the DFSG level when assessing the potential financial impacts of sustainability risks and opportunities.

The updated analysis now serves as a tool for determining which information is material for our TSRS-compliant reporting. In conjunction with this tool, DFSG has applied the relevant guiding paragraphs<sup>27</sup>, appendices and clauses<sup>28</sup> of the TSRS standards to identify and disclose material information.

<sup>23</sup> TSRS 1, General Requirements, Sources of Guidance, Paragraph 55 (a)  
<sup>24</sup> [https://sasb.ifrs.org/wp-content/uploads/2019/05/SASB-Conceptual-Framework.pdf?source=post\\_page](https://sasb.ifrs.org/wp-content/uploads/2019/05/SASB-Conceptual-Framework.pdf?source=post_page)  
<sup>25</sup> <https://sasb.ifrs.org/standards/materiality-finder/>  
<sup>26</sup> <https://www.accountability.org/standards/aa1000-stakeholder-engagement>  
<sup>27</sup> TSRS 1, Conceptual Foundations, Fair Presentation, Paragraph 19  
<sup>28</sup> TSRS 1, Appendix B Application guidance, B13 – B37

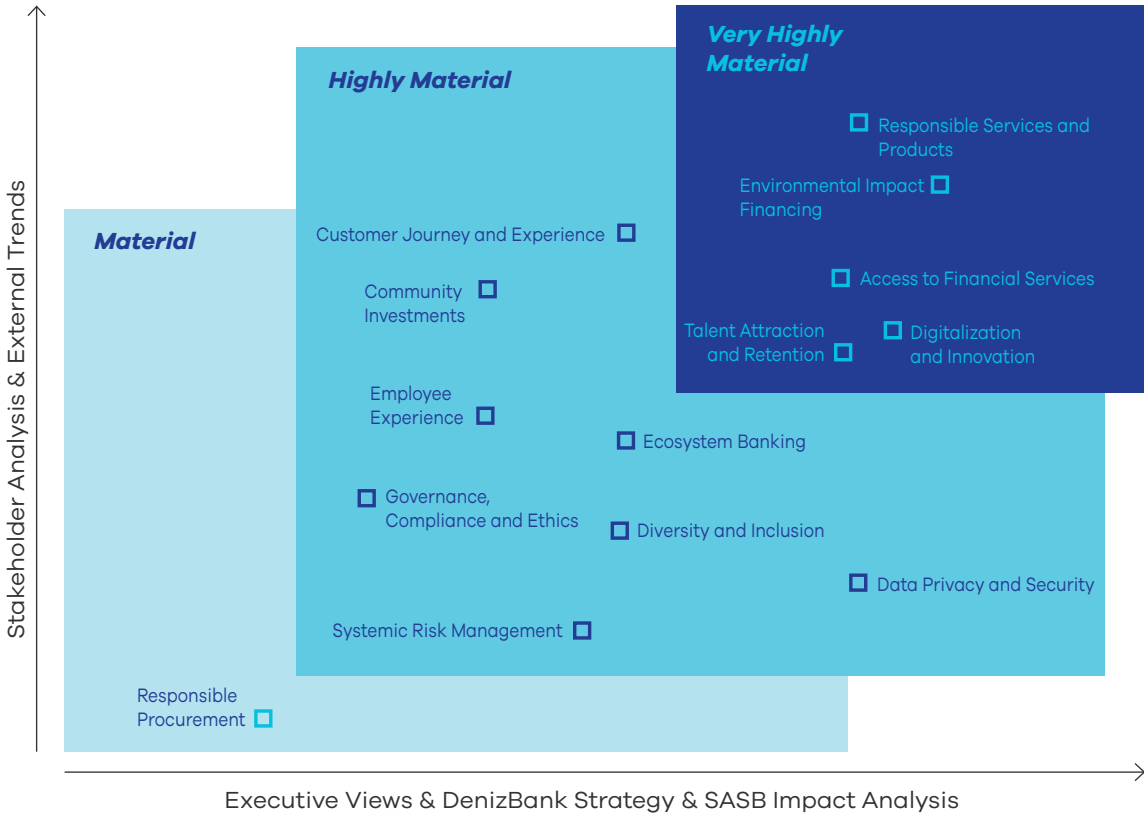


GENERAL REQUIREMENTS

Materiality Matrix

The results of the materiality analysis have been visualised in a materiality matrix, designed to reflect the importance of sustainability topics for both DFSG and its external environment in a two-dimensional

structure. Accordingly, the materiality matrix presented below illustrates the relative ranking of these topics based on financial materiality. This matrix forms the basis for the identification of material information in DFSG’s TSRS-aligned performance and reporting content.



Within the scope of DFSG’s materiality analysis, the issues identified as **very highly material** are as follows:

- **Environmental Impact Financing,**
- **Responsible Products and Services,**
- **Access to Financial Services,**
- **Talent Attraction and Retention,**
- **Digitalization and Innovation,**
- **Climate Action.**

Among these topics, Climate Action has been included in the "very high priority" category, due to its status as a group-level priority for our principal shareholder, Emirates NBD, and

the existence of a dedicated TSRS standard for the topic. Accordingly, Climate Action has been reported in line with the TSRS 2<sup>29</sup> standard, while the remaining five topics have been reported under TSRS 1<sup>30</sup> with relevant material disclosures.

In summary, the materiality analysis identified the “very high priority” topics on which the Group should focus, considering financial materiality across the Group as well as environmental, social and governance (ESG) factors and associated risks and opportunities. The approach used to determine which of the risks and opportunities disclosed in this report are likely to have the most significant impact is presented in the Strategy section.

<sup>29</sup> <https://www.kgk.gov.tr/Portalv2Uploads/files/Duyurular/v2/Surdurulebilirlik/RaporlamaStandarti/TSRS%202.pdf>  
<sup>30</sup> <https://www.kgk.gov.tr/Portalv2Uploads/files/Duyurular/v2/Surdurulebilirlik/RaporlamaStandarti/TSRS%201.pdf>

Sources of Guidance

While applying **TSRS standards**, since Denizbank A.Ş. is the parent company of the Group and subject to TSRS obligations, in this Report which was prepared to cover the entire DFSG, **industry-specific guidance for climate-related disclosures under TSRS 2<sup>31</sup>**—alongside the core standard itself—has been utilized within the reporting process. Considering DFSG’s areas of activity, from **TSRS 2 industry-specific guides** Commercial Banking Activities<sup>32</sup>, Investment Banking and Brokerage Activities<sup>33</sup> and Asset Management and Custody Activities<sup>34</sup> have been used.

In addition to the industry-specific guidance used for disclosures on **Climate Action**, at the DFSG level, the remaining topics disclosed under TSRS 1 (Environmental Impact Financing, Responsible Products and Services, Access to Financial Services, Talent Attraction and Retention, and Digitalization and Innovation) are **not yet addressed by topic-specific TSRS standards**. Therefore, to meet the information needs of primary users of general purpose financial reports<sup>35</sup>, **professional judgement was applied** to incorporate internationally recognized standards, specifically the **SASB Standards<sup>36</sup>** and the 2021 **Universal Standards of the Global Reporting Initiative (GRI)<sup>37,38</sup>**.

Statement of Compliance

Aligned with the principles of **transparency and accountability**, DFSG is committed to continuously improving its alignment with the TSRS as they evolve, and to disclosing material information related to sustainability and climate change accordingly.

Group-wide accounting policies have been applied **consistently throughout the fiscal year and for comparative data**, and all sustainability-related data and performance information have been **consolidated using the same principles applied in the financial statements**. DFSG aims to improve the implementation of the existing TSRSs with the financial materiality approach and report in accordance with the **topic-specific TSRS standards** to be published<sup>39</sup>.

<sup>31</sup> <https://kgk.gov.tr/SustainabilityDetailForm/11696/TFRS2>  
<sup>32</sup> <https://kgk.gov.tr/Portalv2Uploads/files/Sustainability/TFRS2/TSRS%202-Ek%20Cilt-16-Ticari%20Bankalar.pdf>  
<sup>33</sup> <https://kgk.gov.tr/Portalv2Uploads/files/Sustainability/TFRS2/TSRS%202-Ek%20Cilt-18-Yat%20C4%B1r%20C4%B1m%20Bankac%20C4%B1%20C4%B1%20C4%9F%20C4%B1%20ve%20Brokerlik.pdf>  
<sup>34</sup> <https://kgk.gov.tr/Portalv2Uploads/files/Sustainability/TFRS2/TSRS%202-Ek%20Cilt-15-Varl%20C4%B1k%20Y%20C3%B6netimi%20ve%20Saklama%20Faaliyetleri.pdf>  
<sup>35</sup> TSRS 1, General Requirements, Sources of guidance, Identifying applicable disclosure requirements, Paragraph 57 (a)  
<sup>36</sup> <https://sasb.ifrs.org/standards/>  
<sup>37</sup> <https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/>  
<sup>38</sup> TSRS 1, General Requirements, Sources of guidance, Identifying applicable disclosure requirements, Paragraph 57 ve Paragraph 58  
<sup>39</sup> TSRS 1, General Requirements, Statement of compliance, Paragraph 72

## CORE CONTENT

- In DFSG's TSRS-aligned reporting, the standards **TSRS 1** and **TSRS 2** were applied. Accordingly:
- In the area of **Governance**, the governance processes, controls, and procedures used to monitor and manage sustainability- and climate-related risks and opportunities at both the DFSG level and at TSRS-reporting subsidiaries (Denizbank A.Ş. and DenizYatırım Menkul Kıymetler A.Ş.) have been disclosed to enable the users of general purpose financial reports to understand such processes, controls, and procedures<sup>40,41</sup>.
- Under the heading of **Strategy**, significant information has been disclosed regarding the approach employed at the DFSG level and at the level of its subsidiaries to mitigate sustainability- and climate-related risks and to assess related opportunities<sup>42</sup>. These disclosures aim to help the users of general purpose financial reports understand DFSG's and its subsidiaries' strategy for managing sustainability- and climate-related risks and opportunities<sup>43</sup>.
- In the area of Risk **Management**, the processes used to identify, assess, prioritize, and monitor sustainability- and climate-related risks and opportunities at DFSG and its TSRS-reporting subsidiaries have been disclosed<sup>44</sup>. These disclosures aim to enable the users of general purpose financial reports to understand whether and how these processes are integrated into the overall risk management system, how they inform the overall risk profile and risk management process, and whether the risk governance structure is aligned<sup>45</sup>.

- Under the heading of **Metrics and Targets**, performance disclosures have been provided in line with the TSRSs, including progress toward defined targets, to demonstrate how sustainability- and climate-related risks and opportunities are managed<sup>46</sup>. Under Metrics and Targets, the aim is to enable the users of general purpose financial reports to understand the **annual performance (01 January 2024 – 31 December 2024)** of DFSG and its TSRS-reporting subsidiaries in managing identified sustainability- and climate-related risks and seizing related opportunities<sup>47</sup>.

The TSRS-aligned reporting conducted across these four content areas has been prepared to cover the **financial year from 01 January 2024 to 31 December 2024** in terms of performance reporting.

<sup>40</sup> TSRS 1, Core Content, Governance, Paragraph 26

<sup>41</sup> TSRS 1, Core Content, Paragraph 25 (a)

<sup>42</sup> TSRS 1, Core Content, Paragraph 25 (b)

<sup>43</sup> TSRS 1, Core Content, Strategy, Paragraph 28

<sup>44</sup> TSRS 1, Core Content, Paragraph 25 (c)

<sup>45</sup> TSRS 1, Core Content, Risk Management, Paragraph 43 (a) (b)

<sup>46</sup> TSRS 1, Core Content, Paragraph 25 (d)

<sup>47</sup> TSRS 1, Core Content, Metrics and Targets, Paragraph 45

### Parent Company & Subsidiaries

TSRS 1 – Conceptual Foundations, Reporting Entity, Paragraph 20, together with the related guidance in TSRS 1 – Appendix B, Application Guidance, Paragraph B38, stipulates that a reporting entity subject to TSRS requirements must present information on its parent and subsidiaries as a single reporting entity.

Accordingly, for the 2024 reporting year, Denizbank A.Ş.—which is subject to TSRS obligations—has prepared its sustainability and climate-related disclosures in alignment with the consolidated financial statements of DFSG.

In addition, Deniz Yatırım Menkul Kıymetler A.Ş., a wholly owned subsidiary of Denizbank A.Ş. engaged in securities brokerage services, is also subject to TSRS reporting, having exceeded the threshold values defined by the Board Decision on the Scope of TSRS Implementation.

To clarify this reporting hierarchy, the structure of DFSG—comprising the parent company, its subsidiaries, and their respective ownership shares—is illustrated below.





## CORE CONTENT



In the context of the parent company (Denizbank A.Ş.) and its subsidiaries, and in accordance with the TSRS materiality criteria, the key disclosures presented under the topic of Climate Action in TSRS 2, alongside the topics addressed in TSRS 1, are as follows;

- Denizbank A.Ş., as the parent entity, fulfills the TSRS reporting obligation on behalf of the entire DFSG,
- In order to meet this obligation, the sustainability initiatives carried out at the level of Denizbank A.Ş. during the 2023 and

2024 fiscal years have been designed and implemented in a way that allows them to be scaled to cover the Group as a whole,

- These Group-wide sustainability efforts have also enabled Deniz Yatırım Menkul Kıymetler A.Ş., which is subject to TSRS reporting within DFSG, to disclose its own sustainability-related financial information in alignment with TSRS requirements.

Accordingly, the relationship between the relevant topics and the applicable reporting obligations is illustrated as follows.

CORE CONTENT

Core Content		Governance	Risk Management	Strategy	Metrics & Targets
Material Issues					
1	Environmental Impact Financing	The governance processes, controls, and procedures used to monitor and manage the risks and opportunities defined <b>under five topics within the scope of S1 and Climate Action under the scope of S2</b> have been addressed at the DFSG level.	<b>Denizbank A.Ş.</b> , given its role in banking activities, has been assigned responsibility for Environmental Impact Financing under the Risk Management Dimension.	Environmental Impact Financing, identified in relation to Denizbank A.Ş. as the main partner and its banking operations, has been addressed under Strategy, Risk Management, and Metrics & Targets at <b>the level of Denizbank A.Ş.</b>	
2	Responsible Products and Services		Addressed at the <b>DFSG level</b> under Strategy, Risk Management, and Metrics & Targets.		
3	Access to Financial Services		As it is defined in the context of banking and Denizbank A.Ş., it has been addressed under Strategy, Risk Management, and Metrics & Targets at <b>the level of Denizbank A.Ş.</b>		
4	Talent Attraction and Retention		Addressed at the <b>DFSG level</b> under Strategy, Risk Management, and Metrics & Targets.		
5	Digitalization and Innovation		Addressed at the <b>DFSG level</b> under Strategy, Risk Management, and Metrics & Targets.		
6	Climate Action		Addressed under <b>DFSG level</b> Risk Management approach due to its link to climate change.	In line with the TSRS 2 requirements, <b>climate-related risks and opportunities for Denizbank A.Ş.</b> have been identified and disclosed in accordance with the structure described in TSRS 2.	Climate-related financial disclosures are shared based on Scope 1-2 calculations conducted <b>at the DFSG level</b> , as well as subsidiary level like Denizbank A.Ş.

Sustainability Efforts Conducted at Denizbank A.Ş.

All these instruments are designed and mobilized considering their contribution to respective UN Sustainable Development Goals(SDGs). Efforts are ongoing to expand the availability of these instruments and to develop new financial solutions. All sustainability efforts conducted by Denizbank A.Ş. are in line with UN Sustainable Development Goals. To facilitate understanding of how Denizbank A.Ş.'s sustainability efforts are utilised across DFSG, a high-level summary of the initiatives undertaken by the Bank is provided below.

These initiatives include the formulation of a Sustainability Strategy and the establishment of executive-level performance indicators. In addition, given that banking is the Group's core area of activity, a Decarbonisation Strategy has been developed specifically for Denizbank A.Ş. Furthermore, work has commenced to align the analysis of climate-related risks and opportunities

with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

These efforts aim to integrate both physical and transition risks—faced by DenizBank and its customers—into the Bank's operational processes.<sup>48</sup>

Given the Group-wide weighting of banking activities within DFSG, the decarbonization strategy focuses not only on direct operational measures, such as energy efficiency and renewable energy, but also on the development of comprehensive financial solutions to support the low-carbon transition processes of the Bank and its customers. In this context, the Bank's 'Sustainable Finance' portfolio includes the following instruments:

- Green and social bonds (aligned with the 2021 ICMA Green Bond and Sustainability Bond Principles),

- Green and sustainability-linked syndicated loans,
- Energy efficiency loans and renewable energy loans (e.g., wind, solar, geothermal),
- Green economy financing products provided under the EBRD GEFF Türkiye Program,
- Sustainability financing solutions supported by Proparco,
- Financing supporting green transformation in the agricultural sector through products such as the Producer Card,
- Financing of green infrastructure in rural development and post-disaster regions,
- Sustainability-focused financing solutions for SMEs,
- Transition financing and transition bonds aimed at supporting transformation in high-emission sectors.

Efforts are ongoing to expand the availability of these products and to develop new financial solutions.

The strategy and roadmaps are designed to be aligned with and complementary to Emirates NBD Group's decarbonization strategy. In addition, comprehensive emission calculations and processes to monitor the sustainable finance portfolio have been initiated at the DFSG level. The establishment of a holistic Group-wide Decarbonization Strategy will be implemented following the finalization of Emirates NBD Group's overall strategy.

Through these three core areas of intervention, the objective is to lay the foundation for the medium- to long-term transformation of the value chain through in-depth analysis. In this context, efforts are ongoing to scale and extend the sustainability initiatives undertaken at Denizbank A.Ş.—the parent company within DFSG—across the Group as a whole.

<sup>48</sup> <https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf>



## CORE CONTENT

### Governance

DFSG acts with a proactive and dynamic governance structure in order to manage the sustainability- and climate-related risks and opportunities that may affect its financial position. Details regarding the governance bodies responsible for sustainability- and climate-related risks and opportunities are provided in this section of the report<sup>4950</sup>.

#### Sustainability Committee (the Committee)

The Sustainability Committee at DFSG is responsible for the overall governance and oversight of all sustainability and climate-related activities. Accordingly, it holds the function of monitoring and overseeing sustainability- and climate-related risks and opportunities<sup>5152</sup>.

The Sustainability Committee at DFSG is responsible for overseeing all sustainability- and climate-related risks and opportunities, while the **Internal Audit Department** is the unit responsible for auditing these risks and opportunities<sup>5354</sup>. To ensure continuous development of audit capabilities related to such risks and opportunities, these units and relevant individuals are prioritized for **training and certification programs**. In this context, the EVP (Executive Vice President) of **Sustainability and Financial Institutions Coordination Group**, under the Sustainability Coordination Department, has completed an executive level **Sustainable Finance Certification Program** during the reporting period<sup>55</sup>. Additionally, **two department**

**heads** from the Internal Audit Department completed the **Sustainability Expertise Certification Program** organized by Turkish Capital Markets Association (TSPB)<sup>565758</sup>.

The Sustainability Committee is chaired by a member of the Board of Directors and includes four Executive Vice Presidents<sup>59</sup>. It consists of nine members in total, one of whom is non-executive, and five members who also serve on other committees.

The Committee works to ensure the **functionality of the sustainability governance structure**, define and track performance indicators, and improve sustainability performance across DFSG. Where necessary, the Committee establishes additional committees and/or working groups to collaborate with business units on emerging topics<sup>6061</sup>. Within DenizBank, the Committee has also defined **required competencies and qualifications** for individuals involved in sustainability roles. In each reporting period, the Committee reviews any major business decisions (e.g. Mergers, Acquisitions, Divestitures, and Disposals) from the perspective of sustainability and climate-related risk.

It also aims to provide feedback on the trade-offs strategic decisions, especially in areas such as sustainable finance, where input is required<sup>6263</sup>. The Committee reports **at least twice a year** to the Board of Directors on the progress of sustainability initiatives, based on regular meetings and oversight responsibilities<sup>6465</sup>.

<sup>49</sup> TSRS 1, Core Content, Governance, Paragraph 26

<sup>50</sup> TSRS 2, Core Content, Governance, Paragraph 5

<sup>51</sup> TSRS 1, Core Content, Governance, Paragraph 27 (b) (i)

<sup>52</sup> TSRS 2, Core Content, Governance, Paragraph 6 (b) (i)

<sup>53</sup> TSRS 1, Core Content, Governance Paragraph 27 (b) (i)

<sup>54</sup> TSRS 2, Core Content, Governance, Paragraph 6 (b) (i)

<sup>55</sup> <https://onlinecourses.smithschool.ox.ac.uk/courses/sustainable-finance/>

<sup>56</sup> <https://tspb.org.tr/birlikte-egitim/>

<sup>57</sup> TSRS 1, Core Content, Governance, Paragraph 26 (a) (ii)

<sup>58</sup> TSRS 2, Core Content, Governance, Paragraph 6 (a) (ii)

<sup>59</sup> In addition to the General Manager and four Board Members, Financial Affairs Group EVP, Treasury, Financial Institutions and Investment Group EVP, Project Finance, Financial Restructuring and Credits International Coordination Group EVP, Financial Institutions and Sustainability Coordination Group EVP

<sup>60</sup> TSRS 1, Core Content, Governance, Paragraph 27 (a) (i)

<sup>61</sup> TSRS 2, Core Content, Governance, Paragraph 6 (a) (i)

<sup>62</sup> TSRS 1, Core Content, Governance, Paragraph 27 (a) (iv)

<sup>63</sup> TSRS 2, Core Content, Yönetişim Paragraph 6 (a) (iv)

<sup>64</sup> TSRS 1, Core Content, Governance, Paragraph 27 (a) (iii)

<sup>65</sup> TSRS 2, Core Content, Governance, Paragraph 6 (a) (iii)



When necessary, the Committee provides recommendations on updating the sustainability strategy and targets. It also acts as a **guiding body** that ensures alignment between strategic direction and the **Sustainability Coordination Department**, especially in terms of initiating sustainability-related efforts and mobilizing the responsible units and individuals.

To this end, the Committee may establish **working groups** composed of senior representatives from across the Group when broader coordination is needed. The **Sustainability Coordination Department**, housed under the Committee and operating within Denizbank A.Ş., plays an active role in tracking and operationalizing the Committee's sustainability decisions. This structure enables coordinated and scalable execution, allowing sustainability specialists appointed under the Committee to work in **close collaboration** across DFSG subsidiaries.

When deemed necessary, this organizational structure brings relevant matters to the Sustainability Committee's agenda in a strategic manner. Thanks to the role of business units, sustainability initiatives approved by the Committee and forwarded via the Sustainability Coordination Department are integrated into the performance system

across all core functions via **annual target tracking and KPI integration**. As of the reporting period, the Sustainability Strategy developed at the level of Denizbank A.Ş. has begun to be scaled up across all DFSG subsidiaries.

In parallel, starting from the 2024 reporting period, the targets defined in the sustainability strategy have been integrated into the **performance scorecards of senior executives**. This ensures that sustainability and climate-related targets influence executive compensation. The remuneration of **C-suite executives** is linked to their performance cards in a manner that aligns with their function, and includes (ESG) components in various forms. The ESG-related targets currently carry a 10% weight in the scorecards. In addition, the **DFSG Remuneration Policy** includes a variable component (bonus) of up to 10% based on the degree to which sustainability goals and performance indicators are achieved.

Annual performance bonuses are calculated and distributed accordingly<sup>6667</sup>. These practices ensure that sustainability- and climate-related KPIs are embedded in **executive compensation schemes**, directly linking sustainability commitments to **decision-making authority and leadership responsibilities**.

<sup>66</sup> TSRS 1, Core Content, Governance, Paragraph 27 (a) (iv)

<sup>67</sup> TSRS 2, Core Content, Governance Paragraph 6 (a) (iv)

## CORE CONTENT

### Governance

#### Sustainability Coordination Department

The **Sustainability Coordination Department** is a team reporting to the **Structured Finance and Sustainability Coordination Group** under the Executive Vice President responsible for Financial Institutions and **Sustainability Coordination**. The department is responsible for tracking the implementation of the decisions of the Sustainability Committee, ensuring alignment across the Group and among relevant functions and roles at Denizbank A.Ş. and its subsidiaries. The core team consists of **eight (8) full-time sustainability professionals** and **Executive Vice President responsible for Financial Institutions and Sustainability Coordination**, who is also **the Member of the Executive Board and Secretariat of Sustainability Committee**.<sup>68</sup> The Sustainability Coordination Department continues to function as the coordinating body for all sustainability initiatives carried out with the involvement of internal and external stakeholders. The department operates in line with the vision, mission, and sustainability strategy of Denizbank A.Ş., which serves as the parent entity of DFSG, and works to scale this perspective and strategy across the entire DFSG. The Sustainability Coordination Department continues to function as the central coordinating body for all sustainability-related activities carried out with the involvement of both internal and external stakeholders.

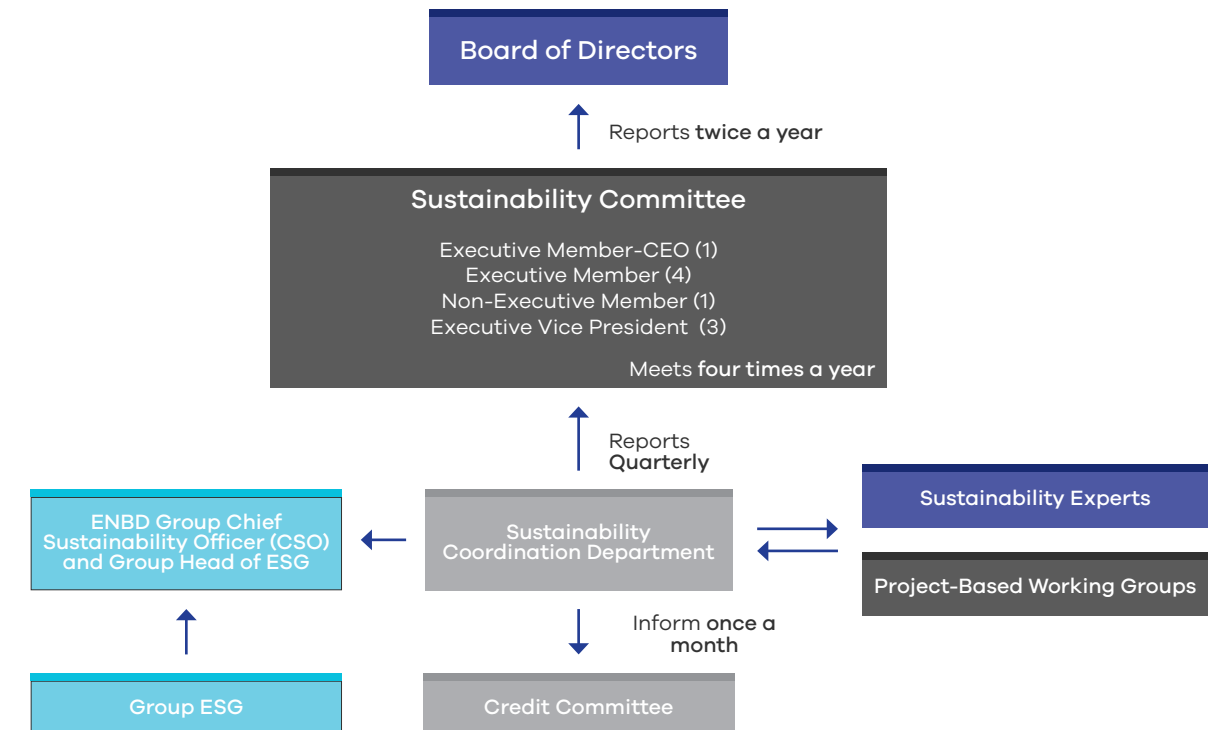
One of its core responsibilities is the integration and continuous improvement of the Sustainability Management System (SMS) within DenizBank's business processes. In this context, the department works in coordination with relevant internal units (and/or external stakeholders) to ensure stakeholder participation in processes, collection of stakeholder input, and integration of their views into sustainability initiatives. It also plays a key role in increasing awareness and strengthening the understanding of sustainability in general, and of DenizBank's sustainability strategy in particular, among employees.

The Coordination Department also tracks the procedures and policies that arise in connection with sustainability and reporting standards. It is responsible for ensuring that the processes related to sustainability and climate-related reporting obligations—as required by various stakeholders and frameworks—are carried out in coordination with business units, including activities such as data generation, data collection, and data verification.

Furthermore, the department participates in the design of sustainability targets that are aligned with the Bank's sustainability strategy and defined in collaboration with the relevant business units, and in the formulation of the actions required to achieve these targets. To support the design process, the department organizes necessary activities, maps internal stakeholders under each value domain of the sustainability strategy, facilitates their participation in action planning processes, and compiles these outputs to produce concrete action plans.



<sup>68</sup> <https://www.denizbank.com/en/About-denizbank/denizbank-management/executive-board>



#### Risk Management Group

The **Risk Management Group** conducts comprehensive work on risk management, which plays a critical role in shaping DenizBank's strategies. Its responsibilities include defining, measuring, analyzing, and monitoring both actual and potential risks—particularly those related to the risk/return structure of **cash flows**—in accordance with the principles determined by the Bank's senior management and the Risk Management Group, and approved by the Board of Directors.

The Group is also responsible for developing, auditing, and reporting the necessary policies and implementation procedures, and for coordinating all related activities under the **Risk Appetite Statement (RAS)** framework.

To support risk-based decision-making and oversight across DFSG's operational processes, **a structured risk governance model** has been established to identify, measure, manage, control, and report on risks.

Within this governance model, and in consideration of regulatory requirements and best practices, the **ultimate responsibility for establishing DFSG's risk management system rests with the Board of Directors**.

The primary duties and responsibilities of the **Board of Directors** regarding risk management include;

- Reviewing, approving, and ensuring the implementation of **risk management policies**,
- Approving the **risk appetite** in alignment with the Bank's business strategies and financial capacity,
- Monitoring the **effectiveness of the Bank's risk management system**,
- Establishing and ensuring the implementation of the **Internal Capital Adequacy Assessment Process (ICAAP)**.

The Board of Directors exercises its oversight of risk management processes through its committees at the board level. These responsibilities are delegated across the organization through executive committees and relevant business and risk control units.

Risk management activities include the processes of identifying, measuring, and managing risks. In this context, the banking operations of **Denizbank A.Ş.** are conducted in strict adherence to risk management policies aimed at analyzing risk and monitoring it within defined limits.



## CORE CONTENT

### Governance

The **Risk Management Group** conducts risk assessments related to **non-financial root causes** (e.g., sustainability and climate change) with the support of relevant business units. Within this context, the Group evaluates intangible sustainability- and climate-related matters and determines which defined risk categories within the Bank's institutional risk inventory they correspond to. These categories include: **Reputational Risk, Environmental and Social Risk, Market Risk, Credit Risk, Concentration Risk, Model Risk, Liquidity Risk, Interest Rate Risk, Operational Risk, and Business & Strategy Risk**. As a result, the **Risk Management Group** identifies which units or structures are responsible for managing each defined sustainability- and climate-related risk or opportunity. These risks are reported to the **Board of Directors** in alignment with the risk governance model and are monitored and overseen through the **Sustainability Committee**<sup>6970</sup>.

#### Alignment with Corporate Policies and Procedures<sup>7172</sup>

As one of the fundamental components of corporate sustainability and TSRS obligations as of the reporting period, the **Governance** topic is subject to regular monitoring and effective implementation. DFSG-wide applicable policies related to this topic are publicly accessible via: <https://www.denizbank.com/en/investor-relations/corporate-governance/policies> In alignment with the **TSRS materiality criteria**, the following priority topics across the Group are governed through the listed policy documents and frameworks:

- **Environmental Impact Financing** is governed via the documents published on the page <https://www.denizbank.com/en/investor-relations/sustainability> including:
  - > DenizBank Sustainability Policy,
  - > DenizBank Policy for the Management of Direct Environmental and Social Impacts,
  - > DenizBank Policy on Environmental and Social Impact on Lending
  - > DenizBank Exclusion List of Non-Financed Activities
- **Responsible Products and Services** are governed via the **DenizBank Sustainable Finance Framework**,
- **Access to Financial Services** is governed via the **DenizBank Sustainability Strategy** and through practices carried out by related business units and functions within the Bank,
- **Talent Attraction and Retention** is governed via the **Remuneration Policy** and **Human Resources Policy** available at: <https://www.denizbank.com/en/investor-relations/corporate-governance/policies/human-resource-policy>,
- **Digitalization and Innovation** is governed through related business units and sub-units both within **Denizbank A.Ş.** and across **DFSG subsidiaries**,
- **Climate Action** is governed through Group-wide **calculation methodologies**, the **Decarbonization Strategy** initiated at **Denizbank A.Ş.**, and the ongoing implementation of the **Climate Risk Policy**.

<sup>69</sup> TSRS 1, Core Content, Governance, Paragraph 27 (b) (ii)

<sup>70</sup> TSRS 2, Core Content, Governance, Paragraph 6 (b) (ii)

<sup>71</sup> TSRS 1, Core Content, Governance, Paragraph 27 (a) (i)

<sup>72</sup> TSRS 2, Core Content, Governance, Paragraph 6 (a) (i)

## Strategy

The objective of sustainability- and climate-related financial disclosures related to strategy is to enable users of general purpose financial reports to understand the entity's **strategy for managing sustainability-related risks and opportunities**<sup>7374</sup>.

In this section, disclosures have been provided to inform users of general purpose financial reports regarding the risks and opportunities defined at various levels within DFSG—prioritized in alignment with the **materiality criteria of TSRS 1**, and specifically grounded in **TSRS 2** for the topic of **Climate Action**.

For the current reporting period, a qualitative assessment of the risks and opportunities disclosed based on TSRS 1 has been conducted<sup>75</sup>. DFSG has identified sustainability-related risks and opportunities through a Group-wide screening process considering the Parent Company and Subsidiaries. The assessments related to risks and opportunities were carried out for sectoral clusters of DFSG companies (e.g., Financial Leasing & Factoring, Software & IT Services).

Among the risks and opportunities identified based on TSRS 2, **"Risk 13 – Downstream Policy & Legal Risk"** has been defined in the context of **DenizBank A.Ş.** and its banking operations, and a reasonable approach has been developed to assess its potential financial impact. The climate-related risks **"Risk 14 – Upstream Policy & Legal Risk"** and **"Risk 15 – Physical Risk"** have been defined at the **DFSG level**. As of the current reporting period, the data collection process for Risks 14 and 15 is still ongoing; therefore, the assessment has been conducted on a **qualitative basis**.

#### Sustainability- and Climate-related Risks & Opportunities<sup>7677</sup>

When identifying sustainability- and climate-related risks and opportunities, the **time horizons** over which each individual risk or opportunity is reasonably expected to materialize must be clearly specified. Accordingly, in order to determine time horizons on a risk- and opportunity-specific basis, **a unified set of time horizons has been defined at the DFSG level** for all subsidiaries with regard to sustainability and climate change. All identified sustainability- and climate-related risks and opportunities are assessed together with their associated **trade-offs**. Within DFSG, any potential trade-off (e.g., an unanticipated sustainability regulation during the financial year that requires out-of-budget spending) that may arise in the process of managing risks or leveraging opportunities is considered alongside the risk or opportunity itself and its implications. Where adverse impacts are expected as a result of such trade-offs, these are escalated to the **Sustainability Committee** for evaluation and management<sup>78</sup>. In addition, DFSG aims to ensure that each identified risk and opportunity is appropriately mapped and **integrated within the existing Risk Management (RM) system**<sup>79</sup>.

<sup>73</sup> TSRS 1, Core Content, Strategy, Paragraph 28

<sup>74</sup> TSRS 2, Core Content, Strategy, Paragraph 8

<sup>75</sup> TSRS 1, Core Content, Strategy, Paragraph 40 (b)

<sup>76</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30

<sup>77</sup> TSRS 2, Core Content, Strategy, Climate-related Risks and Opportunities, Paragraph 10

<sup>78</sup> TSRS 1, Core Content, Strategy, Strategy and Decision-Making, Paragraph 33 (c)

<sup>79</sup> TSRS 1, Core Content, Risk Management, Paragraph 44 (c)

# CORE CONTENT

## Strategy

Time Horizons<sup>808182</sup>

The **time horizons** defined to cover sustainability- and climate-related matters across DFSG have been determined based on a range of sector-specific factors. These include cash flow timelines, investment and business cycles, strategic decision-making periods, commonly used planning horizons in the industries in which DFSG entities operate, capital allocation plans, and the timeframes typically used by general purpose financial report users in evaluating financial service providers like DFSG.

The **time horizon ranges** defined for DFSG are **sequential and ultimately open-ended** for the long term due to the **ongoing and continuous nature of sustainability** and climate change issues. The time periods are determined in a way that covers financial planning and annual budget cycles in the **short-term**, aligns with the update frequencies of Group-level business strategy in the **medium-term**, and **keeps the relationship** between macro trends and global transformation and sustainability on Group's strategic agenda in **the long-term**. Details of the time horizons as defined in this context are provided below.



<sup>80</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 31  
<sup>81</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (c)  
<sup>82</sup> TSRS 2, Core Content, Strategy, Climate-related Risks and Opportunities, Paragraph 10 (d)

Time Horizon	Period	Definition
Short-Term	(0-2 years)	<p>When addressing sustainability- and climate-related risks and opportunities, DFSG defines short-term time horizon as a 0-2 year period.</p> <p>This timeframe enables the effective management of DFSG's top-priority sustainability topics and all climate-related risks and opportunities.</p> <p>The 0-2 year short-term jorizon allows the necessary actions for managing these risks and leveraging opportunities to be incorporated into annual financial planning and budgeting cycles.</p> <p>This integration ensures that strategic sustainability goals, which are closely linked to near-term regulatory compliance requirements, can be monitored on an annual basis- while still remaining aligned with DFSG's long-term transformation vision.</p>
Medium-Term	(3-9 years)	<p>The medium-term time horizon, defined as a 3-9 year period for sustainability- and climate-related matters is aligned with the strategic planning and review cycle of DFSG's business strategy.</p> <p>It is also consistent with the sustainability strategy and focus areas of the Emirates NBD Group, particularly in how it addresses ongoing impacts of sectoral transformation, technological advancements, and demographic shifts in the industries in which DFSG operates and serves.</p> <p>This alignment in both scope and timing enables DFSG to support its long-term competitiveness and operational resilience.</p>
Long-Term	(10+ years)	<p>The long-term time horizon, defined as 10 years and beyond on an open-ended basis, reflects DFSG's strategic commitment to the global sustainability transition.</p> <p>Within this framework, DFSG aims to prioritize intangible performance areas and progressively integrate them into financial decision-making with increasing sophistication and quality over time.</p> <p>In the context of Climate Change, DFSG focuses on the long-term implications of sustainability-and climate-related risks ans opoortunities to align with international agreements, such as the Paris Agreement and Türkiye's Nationally Determined Contribution (NDC).</p> <p>This approach aims to enhance the resilience of DFSG's business model against long-term sustainability risks and to capture opportunities emerging from the global sustainability transformation.</p>



## CORE CONTENT

### Strategy

#### Quantitative Thresholds<sup>83</sup>

At the DFSG level, the predominant financial impact is banking-based, as approximately 87% of the Group's consolidated assets for the 2024 reporting year are attributable to DenizBank. As a result, within DenizBank's RMS, priority has been given to credit risk and credit risk-related thresholds, as these represent the most significant potential impacts on the business model. Based on this reality, the impact metrics and corresponding thresholds that could reasonably affect the DFSG business model are as follows:

- **CET1 (Common Equity Tier 1 Ratio):**  
At the level of Denizbank A.Ş., the CET1 ratio must remain above an absolute threshold of **9%** at all times.  
Any risk—including sustainability-related risks—that causes a decline greater than **0.5 percentage points** in the CET1 ratio is considered to have a **material impact**.
- **Capital Adequacy Ratio (CAR):**  
At the level of Denizbank A.Ş., the CAR must remain above an absolute threshold of **13%**.  
Any risk—including sustainability-related risks—that causes a decline greater than **0.5 percentage points** in the CAR is considered to have a **significant impact**.

For the current reporting period, among the identified S1- and S2-based risks and opportunities, S2 – Risk 13 (Climate Transition Risk) has been analyzed in terms of how it could lead to credit risk within DenizBank's Risk Management System (RMS), and how it could affect DenizBank's Capital Adequacy Ratio (CAR) under various scenarios. For all other risks and opportunities, thresholds based on the Core Capital Ratio or Capital Adequacy Ratio have not been applied in materiality assessments. Other risks and opportunities

have been addressed at a qualitative level without applying specific 'impact' metrics. The reasons for this approach are that credit risk and its associated thresholds are primarily driven by DenizBank, which represents the largest portion of Group consolidated assets, and that common Group-wide impact metrics and corresponding thresholds applicable to all subsidiaries and affiliates are still in the process of being developed during the current reporting period.

In subsequent reporting periods, efforts have been initiated to define potential thresholds that can be used for assessing financial materiality of very high priority sustainability topics at both the Group level and the subsidiary level, on a risk-type basis (e.g., Talent Risk – Group-wide impact metric such as 'employee turnover rate').

#### Environmental Impact Financing

As a result of evaluating both the **nature** and **magnitude** of the elements associated with Group-wide sustainability-related information, the topic of **Environmental Impact Financing** has emerged as a priority in the **materiality analysis**. The inclusion of this topic in the Group's priority list has been influenced by its designation as a material topic for financial services companies in the **MSCI ESG Industry Materiality Map**<sup>84</sup> and subsequently, its placement among the **highest-priority topics** in DFSG's **Group-wide materiality matrix**<sup>85</sup>. Given its inherent link to the banking sector, the risks and opportunities associated with **Environmental Impact Financing**—which are reasonably expected to affect DFSG at the Group level—are defined primarily through **Denizbank A.Ş.**. As of the reporting period, the risks and opportunities defined for this high-priority topic have been identified and presented on a **qualitative basis**.

<sup>83</sup> TSRS 1, Core Content, Risk Management, Paragraph 44 (a) (iii)

<sup>84</sup> <https://www.msci.com/our-solutions/esg-investing/esg-industry-materiality-map>

<sup>85</sup> <https://www.msci.com/documents/1296102/34424357/MSCI+ESG+Ratings+Methodology+-+Financing+Environmental+Impact+Key+Issue.pdf/4486c59e-71c1-2dd3-f285-56c8904200bd?t=1666182595573>

#### Risks<sup>86</sup>

		Risk Type & Primary Risk Driver <sup>87</sup>	Place in the Value Chain <sup>88,89</sup>	Expected Time Horizon <sup>90</sup>	Potential Financial Impact <sup>91</sup>	Place in RMS <sup>92</sup>	Risk-specific definition <sup>93</sup>
Environmental Impact Financing	Denizbank A.Ş.	<b>Risk 1: Compliance Risk - Regulatory Compliance</b> <b>Primary Risk Driver:</b> The mandatory disclosure of sustainability-related risks and opportunities in the financial sector	Upstream	Short-term	<b>Indirect, increase in operational expenses (OpEx)</b> Compliance requirements will necessitate the allocation of additional resources and time to the Bank's compliance processes, thereby increasing operational expenses. In the event of non-compliance, the Bank may be exposed to regulatory fines and sanctions.	Operational Risk	Regulators may introduce new compliance standards and reporting obligations aimed at enhancing the management of environmental risks in the financial sector. This may require banks to conduct more in-depth environmental risk assessments within projects and to be subject to more rigorous assessment processes for funding high-emission projects.
Environmental Impact Financing	Denizbank A.Ş.	<b>Risk 2: Financing Risk - Utilisation of Sustainability-Linked Financing Obtained</b> <b>Primary Risk Driver:</b> The increasing prevalence of financing that considers compliance with sustainability-related requirements.	Upstream	Short-term Medium-term	<b>Deterioration in Capital Structure</b> Failure to allocate the amount obtained through sustainability-linked wholesale funding instruments in accordance with contractual terms	Business & Strategy Risk	Due to growing awareness, financial providers are increasingly turning to financial instruments aligned with sustainability principles. The main factor of this risk is DenizBank's potential inability to meet the expectations of these financial providers in this context.
Environmental Impact Financing	Denizbank A.Ş.	<b>Risk 3: Legal Risk - Reduction of Portfolio Emissions</b> <b>Primary Risk Driver:</b> Additional and new regulatory obligations such as increasing the Green Asset Ratio	Downstream	Medium-term	<b>Increased Adequacy Ratios</b> In this context, the Bank may be required to allocate additional provisions. Furthermore, a concentration of the portfolio in high-risk sectors may increase the Bank's obligations related to capital adequacy ratios.	Compliance Risk	Carbon-intensive sectors are facing increasing costs and constraints due to environmental regulations. This situation may weaken the financial performance of our clients operating in these sectors and reduce their repayment capacity.
Environmental Impact Financing	Denizbank A.Ş.	<b>Risk 4: Technology Risk - Infrastructure Deficiencies in Green Financing</b> <b>Primary Risk Driver:</b> Operational challenges that may arise when evaluating projects/ companies with positive environmental impact	Operations	Medium-term	<b>Indirect increase in operational expenses (OpEx)</b> Inability to assess ESG-aligned projects quickly and accurately may weaken the Bank's position in the green finance market. Additionally, dependency on manual processes may increase operational costs.	Business & Strategy Risk	The lack of digital tools capable of effectively evaluating ESG criteria leads to operational difficulties within financing processes.

<sup>86</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (a) (b) (c)

<sup>87</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (a)

<sup>88</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (b)

<sup>89</sup> TSRS 1, Core Content, Strategy, Business Model and Value Chain, Paragraph 32 (b)

<sup>90</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (b)

<sup>91</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (d)

<sup>92</sup> TSRS 1, Core Content, Risk Management, Paragraph 44 (c)

<sup>93</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (a)

CORE CONTENT

Strategy

Opportunities<sup>94</sup>

		Opportunity Type and Primary Opportunity Driver <sup>95</sup>	Place in the Value Chain <sup>96,97</sup>	Expected Time Horizon <sup>98</sup>	Potential Financial Impact <sup>99</sup>	Opportunity-specific description <sup>100</sup>
Environmental Impact Financing	Denizbank A.Ş.	<b>Opportunity 1: Market Opportunity-Expansion of Green Loan Portfolio</b>  <b>Primary Opportunity Driver:</b> Increasing the share of green loan products in the portfolio	Downstream	Medium-term	<b>Increase in revenues</b>  Introducing new green loan products may lead to increased revenues. Additionally, the lower risk profile of sustainable projects may reduce the overall risk of the Bank's portfolio.	There is a growing global demand for sustainability-driven transformation. Providing financing and advisory services in areas such as renewable energy projects, energy efficiency initiatives, and sustainable agriculture represents an environmental, social, and financial opportunity for banks.
		<b>Opportunity 2: Financing Opportunity - Access to Sustainable Finance</b>  <b>Primary Opportunity Driver:</b> Access to lower-cost financing	Upstream	Short-term	<b>Increase in Funding Diversification</b>  Issuance of structuring sustainable financial instruments -such as green and social bonds, sustainability-linked and green loans, green securitisations, ESG-linked derivatives, thematic equity issuances, sustainability-labelled covered bonds, and even green or ESG-linked deposit products)- can reduce the Bank's overall funding costs by tapping strong investor demand for impact-aligned assets. Directing this capital toward eligible sustainable projects simultaneously enhance the Bank's reputation and attracts a broader pool of mission-oriented investors.	International investors and asset-managers are rapidly aligning their portfolios with net-zero pathways and new regulations such as the EU Carbon Border Adjustment Mechanism (CBAM), the expanding EU Emissions Trading System (ETS), the EU Green Bond Standard and the Omnibus amendments to SFDR/MiFID II—pressures that intensify as exemptions for carbon-intensive industries are phased out. By issuing green, social or sustainability-linked bonds and loans that comply with ICMA Principles and the EU Taxonomy, the Bank can tap this growing pool of transition-aligned capital, lower its funding costs and showcase resilience to transition risk.
		<b>Opportunity 3: Financing Opportunity – Sustainability-Oriented Financing Deployment</b>  <b>Primary Opportunity Driver:</b> Diversification of Financial Resources	Downstream	Short-term Medium-term	<b>Strengthening of Capital Structure</b>  Investors with a sustainability-oriented perspective provide the Bank with both financial resources and reputational benefits. In this way, opportunities arise to enhance income diversification.	The number and volume of ESG-focused investors and financial instruments are increasing. In this regard, every position Denizbank A.Ş. adopts to manage the topic of Environmental Impact Financing more effectively will contribute to an increased amount of funding available to its clients.

<sup>94</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (a) (b) (c)

<sup>95</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (a)

<sup>96</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (b)

<sup>97</sup> TSRS 1, Core Content, Strategy, Business Model and Value Chain, Paragraph 32 (b)

<sup>98</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (b)

<sup>99</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (d)

<sup>100</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (a)

Responsible Products and Services

As a result of evaluating the qualitative and quantitative relevance of sustainability-related matters across the DFSG Group, the topic of “Responsible Products and Services” has emerged as a priority in the materiality analysis.

Taking into account the business activities of DFSG and its subsidiaries, it has been concluded that the topic of Responsible Products and Services can be addressed at the Group level. As of the reporting period, the risks and opportunities defined for this topic have been identified and presented on a qualitative basis.

Risks<sup>101</sup>

		Risk Type & Primary Risk Driver <sup>102</sup>	Place in the Value Chain <sup>103,104</sup>	Expected Time Horizon <sup>105</sup>	Potential Financial Impact <sup>106</sup>	Place in RMS <sup>107</sup>	Risk-specific definition <sup>108</sup>
Responsible Products and Services	DFSG	<b>Risk 5: Reputational Risk - Misalignment with ESG Expectations</b>  <b>Primary Risk Driver:</b> Sanctions related to responsible products/ services that may arise within group subsidiaries	Downstream	Long-term	<b>Decline in profitability</b>  Loss of reputation may lead to customer attrition and decreased revenues. In the long term, this may result in reduced market share and higher customer acquisition costs.	Reputational Risk	Products and services offered within DFSG's portfolio may not be fully aligned with environmental and social responsibility principles. This misalignment may attract criticism from investors and customers. Products lacking ESG compliance may trigger negative perception, particularly among sustainability-focused customers.
		<b>Risk 6: Compliance Risk - Evolution of ESG Standards</b>  <b>Primary Risk Driver:</b> Sanctions related to responsible products/ services that may arise within group subsidiaries	Upstream	Medium-term	<b>Indirect increase in operational expenses (OpEx)</b>  Ensuring compliance with new regulations may require advisory costs and operational adjustments. In cases of non-compliance, legal sanctions and financial penalties may be imposed.	Operational Risk	The continuously evolving regulatory framework around ESG requires financial institutions to provide more transparent reporting and demonstrate compliance. Some DFSG subsidiaries may face challenges in aligning with these standards.

<sup>101</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (a) (b) (c)

<sup>102</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (a)

<sup>103</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (b)

<sup>104</sup> TSRS 1, Core Content, Strategy, Business Model and Value Chain, Paragraph 32 (b)

<sup>105</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (b)

<sup>106</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (d)

<sup>107</sup> TSRS 1, Core Content, Risk Management, Paragraph 44 (c)

<sup>108</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (a)



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Opportunities<sup>109</sup>

		Opportunity Type and Primary Opportunity Driver <sup>110</sup>	Place in the Value Chain <sup>111,112</sup>	Expected Time Horizon <sup>113</sup>	Potential Financial Impact <sup>114</sup>	Opportunity-specific description <sup>115</sup>
Responsible Products and Services	DFS	<b>Opportunity 4:</b> Market Opportunity-Expansion of Sustainability Aligned Product Portfolio <b>Primary Opportunity Driver:</b> Increasing preference for financial products and services aligned with sustainability principles	Downstream	Medium-term	<b>Increase in Revenues</b> Offering Sustainability Aligned products enables revenue growth and access to new customer segments. Furthermore, companies providing ESG-aligned offerings can gain market leadership and strengthen competitive advantage	There is a rapidly growing demand for sustainability-focused financial products. Green loans, sustainable investment funds, and ethical finance instruments are increasingly popular among customers.
	DFS	<b>Opportunity 5:</b> PMarket Opportunity - Partnerships for Inclusive Financial Services <b>Primary Opportunity Driver:</b> Expanding market reach through strategic partnerships	Downstream	Short-term	<b>Increase in Revenues</b> Revenue diversification can be achieved through new partnerships and product offerings. Additionally, such initiatives may enhance DFSG's market reputation and positioning.	In particular, collaborations with fintech companies may enable access to broader customer bases. Delivering innovative products for disadvantaged groups and entrepreneurs contributes to high-impact social projects.

<sup>109</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (a) (b) (c)

<sup>110</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (a)

<sup>111</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (b)

<sup>112</sup> TSRS 1, Core Content, Strategy, Business Model and Value Chain, Paragraph 32 (b)

<sup>113</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (b)

<sup>114</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (d)

<sup>115</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (a)

Access to Financial Services

Given that DFSG's financial performance is primarily driven by the banking operations of Denizbank A.Ş., the topic of Access to Financial Services has emerged as a priority in the materiality analysis following the evaluation of the qualitative and quantitative relevance of sustainability-related matters across the Group. Its inclusion in the Group-wide priority topic list has been influenced by its classification as a priority topic for financial services companies in the MSCI ESG Industry Materiality Map<sup>116</sup> and its subsequent

placement among the highest-priority topics<sup>117</sup>, in DFSG's Group-wide materiality matrix.

Due to its inherently banking-related nature, the risks and opportunities associated with Access to Financial Services, which are reasonably expected to impact DFSG at the Group level, are based on the operations of Denizbank A.Ş.

As of the reporting period, the risks and opportunities identified for this high-priority topic have been presented on a qualitative basis.

Risks<sup>118</sup>

		Risk Type & Primary Risk Driver <sup>119</sup>	Place in the Value Chain <sup>120,121</sup>	Expected Time Horizon <sup>122</sup>	Potential Financial Impact <sup>123</sup>	Place in RMS <sup>124</sup>	Risk-specific definition <sup>125</sup>
Access to Financial Services	Denizbank A.Ş.	<b>Risk 7:</b> Reputational Risk - Financial Exclusion <b>Primary Risk Driver:</b> Lack of access to financial services and social inequality in disadvantaged regions	Downstream	Long-term	<b>Decrease in profitability</b> Declining customer trust may lead to customer loss and reduced market share in the long term. This can also increase the cost of acquiring new customers.	Reputational Risk	Limited access to financial services in disadvantaged regions may exacerbate social inequality and trigger public pressure. Inaction on this matter may result in reputational damage for the Bank.
	Denizbank A.Ş.	<b>Risk 8:</b> Technologic Risk - Technological Infrastructure Deficiencies <b>Primary Risk Driver:</b> Lack of banking infrastructure in rural areas	Operations	Medium-term	<b>Indirect increase in operational expenses (OpEx)</b> The bank may need to make additional investments to address these infrastructure issues. This may lead to increased operational costs and inefficiencies in service delivery.	Operational Risk	Inadequate infrastructure or lack of technological solutions in rural areas can hinder the bank's ability to reach financially underserved segments.

<sup>116</sup> <https://www.msci.com/our-solutions/esg-investing/esg-industry-materiality-map>

<sup>117</sup> <https://www.msci.com/documents/1296102/34424357/MSCI+ESG+Ratings+Methodology+-+Access+to+Finance+Key+Issue.pdf/eddee8bb-566e-6a29-4317-5917b50498bf?t=1666182590510>

<sup>118</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (a) (b) (c)

<sup>119</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (a)

<sup>120</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (b)

<sup>121</sup> TSRS 1, Core Content, Strategy, Business Model and Value Chain, Paragraph 32 (b)

<sup>122</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (b)

<sup>123</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (d)

<sup>124</sup> TSRS 1, Core Content, Risk Management, Paragraph 44 (c)

<sup>125</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (a)

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Opportunities<sup>126</sup>

		Opportunity Type and Primary Opportunity Driver <sup>127</sup>	Place in the Value Chain <sup>128129</sup>	Expected Time Horizon <sup>130</sup>	Potential Financial Impact <sup>131</sup>	Opportunity-specific description <sup>132</sup>
Access to Financial Services	Denizbank A.Ş.	<b>Opportunity 6:</b> Market Opportunity-Development of Microfinance Programs <b>Primary Opportunity Driver:</b> Expanding market share in specific business segments through new programs	Downstream	Short-term	<b>Increase in Revenues</b> Microfinance programs can expand the customer base and enable long-term revenue growth. Additionally, contributing to social welfare enhances the bank's reputation.	There is a rapidly growing demand for microfinance products among SMEs and disadvantaged groups. Through microfinance programs, the bank can enhance its social impact and acquire new customers.
		<b>Opportunity 7:</b> Technological Opportunity - Digital Financial Inclusion <b>Primary Opportunity Driver:</b> Expanding market reach at lower cost to broader segments			<b>Indirect decrease in operational expenses (OpEx)</b> Digital banking applications can reduce operational costs while increasing revenues. Moreover, technological innovations improve the customer experience.	

<sup>126</sup>TSRS 1, Core Content, Strategy, Paragraph 29 (a) (b) (c)

<sup>127</sup>TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (a)

<sup>128</sup>TSRS 1, Core Content, Strategy, Paragraph 29 (b)

<sup>129</sup>TSRS 1, Core Content, Strategy, Business Model and Value Chain, Paragraph 32 (b)

<sup>130</sup>TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (b)

<sup>131</sup>TSRS 1, Core Content, Strategy, Paragraph 29 (d)

<sup>132</sup>TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (a)

Talent Attraction and Retention

As a result of evaluating the qualitative and quantitative relevance of sustainability-related matters across the DFSG Group, the topic of Talent Attraction and Retention has emerged as a priority in the materiality analysis. Taking into account the areas of activity of DFSG and its subsidiaries, it has been assessed that human capital and, in this context, the priority

topic of Talent Attraction and Retention can be addressed at the Group level.

Accordingly, the sustainability-related risks and opportunities defined for this topic are also identified on a Group-wide basis.

As of the reporting period, the risks and opportunities defined for this high-priority topic have been identified and presented on a qualitative basis.

Risks<sup>133</sup>

		Risk Type & Primary Risk Driver <sup>134</sup>	Place in the Value Chain <sup>135136</sup>	Expected Time Horizon <sup>137</sup>	Potential Financial Impact <sup>138</sup>	Place in RMS <sup>139</sup>	Risk-specific definition <sup>140</sup>
Talent Attraction & Retention	DFSG	<b>Risk 9:</b> Talent Risk- Employee Attrition <b>Primary Risk Driver:</b> Increased employee turnover	Operations	Medium-term	<b>Indirect increase in operational expenses (OpEx)</b> The cost of recruitment and training rises to compensate for employee losses. This leads to increased operational expenses and short-term disruptions in business processes.	Operational Risk	Uncompetitive salaries, benefits, and lack of career development opportunities may cause employees to leave for other companies. The loss of skilled employees can negatively affect the company's institutional knowledge and productivity.
		<b>Risk 10:</b> Reputational Risk- Employer Brand <b>Primary Risk Driver:</b> Inability to attract next-generation talent to DFSG companies			<b>Indirect increase in operational expenses (OpEx)</b> The company may need to offer higher salaries and implement aggressive recruitment strategies. This creates a disadvantage in the competitive labor market.		

<sup>133</sup>TSRS 1, Core Content, Strategy, Paragraph 29 (a) (b) (c)

<sup>134</sup>TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (a)

<sup>135</sup>TSRS 1, Core Content, Strategy, Paragraph 29 (b)

<sup>136</sup>TSRS 1, Core Content, Strategy, Business Model and Value Chain, Paragraph 32 (b)

<sup>137</sup>TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (b)

<sup>138</sup>TSRS 1, Core Content, Strategy, Paragraph 29 (d)

<sup>139</sup>TSRS 1, Core Content, Risk Management, Paragraph 44 (c)

<sup>140</sup>TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (a)



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Opportunities<sup>141</sup>

		Opportunity Type and Primary Opportunity Driver <sup>142</sup>	Place in the Value Chain <sup>143144</sup>	Expected Time Horizon <sup>145</sup>	Potential Financial Impact <sup>146</sup>	Opportunity-specific description <sup>147</sup>
Talent Attraction & Retention	DFSG	Opportunity 8: Talent Opportunity - Strengthening of Personal Rights  Primary Opportunity Driver: Reduced employee turnover	Operations	Short term / Medium-term	Indirect decrease in operational expenses (OpEx)  Indirect decrease in operational expenses (OpEx)	Indirect decrease in operational expenditures (OpEx)
	DFSG	Opportunity 9: Talent Opportunity - Leadership Development Programs  Primary Opportunity Driver: Increased employee engagement	Operations	Short-term	Indirect decrease in operational expenses (OpEx)  A more efficient workforce leads to long-term operational gains. Additionally, internal promotion reduces the need for external hiring for leadership roles.	In-house leadership programs help employees develop their skills and provide career advancement opportunities, increasing both loyalty and motivation.

<sup>141</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (a) (b) (c)

<sup>142</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (a)

<sup>143</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (b)

<sup>144</sup> TSRS 1, Core Content, Strategy, Business Model and Value Chain, Paragraph 32 (b)

<sup>145</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (b)

<sup>146</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (d)

<sup>147</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (a)

Digitalization and Innovation

As a result of evaluating the qualitative and quantitative relevance of sustainability-related matters across the DFSG Group, the topic of Digitalization and Innovation has emerged as a priority in the materiality analysis. Taking into account the areas of activity of DFSG and its subsidiaries, it has been concluded that the

priority topic of Digitalization and Innovation can be addressed at the Group level.

Accordingly, the sustainability-related risks and opportunities defined for this topic are also applicable at the Group level.

As of the reporting period, the risks and opportunities defined for this high-priority topic have been identified and presented on a qualitative basis.

Risks<sup>148</sup>

		Risk Type & Primary Risk Driver <sup>149</sup>	Place in the Value Chain <sup>150151</sup>	Expected Time Horizon <sup>152</sup>	Potential Financial Impact <sup>153</sup>	Place in RMS <sup>154</sup>	Risk-specific definition <sup>155</sup>
Digitalization & Innovation	DFSG	Risk 11: Legal Risk - Cybersecurity Risk  Primary Risk Driver: Cyberattacks may lead to operational disruptions and regulatory fines. In addition, declining customer trust could result in revenue losses.	Upstream	Short-term	Indirect increase in operational expenses (OpEx)  Cyberattacks may lead to operational disruptions and regulatory fines. In addition, declining customer trust could result in revenue losses.	Reputational Risk	Digitalization projects may expose the organization to greater cybersecurity threats. A data breach, especially involving customer information, could lead to severe financial and reputational losses.
	DFSG	Risk 12: Technological Risk- Outdated Systems  Primary Risk Driver: Loss of competitiveness in digital banking	Operations	Medium-term	Indirect increase in operational expenses (OpEx)  The use of outdated systems leads to both high maintenance costs and operational inefficiencies. Moreover, investments required for transitioning to modern solutions may further increase costs.	Operational Risk	Obsolete and incompatible IT infrastructure can slow down digitalization and innovation processes, leading to a loss of competitiveness in digital banking.

<sup>148</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (a) (b) (c)

<sup>149</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (a)

<sup>150</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (b)

<sup>151</sup> TSRS 1, Core Content, Strategy, Business Model and Value Chain, Paragraph 32 (b)

<sup>152</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (b)

<sup>153</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (d)

<sup>154</sup> TSRS 1, Core Content, Risk Management, Paragraph 44 (c)

<sup>155</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (a)

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Strategy

Opportunities<sup>156</sup>

		Opportunity Type and Primary Opportunity Driver <sup>157</sup>	Place in the Value Chain <sup>158159</sup>	Expected Time Horizon <sup>160</sup>	Potential Financial Impact <sup>161</sup>	Opportunity-specific description <sup>162</sup>
Digitalization & Innovation	DFSG	Opportunity 10: Technological Opportunity - AI-Based Solutions Primary Opportunity Driver: Increased customer satisfaction	Operations	Medium-term	Indirect decrease in operational expenses (OpEx) AI applications provide revenue growth, cost savings, and enhanced customer satisfaction. They also offer leadership opportunities in innovative banking services.	Artificial intelligence is a powerful tool for analyzing customer behavior and offering personalized services. Automating banking operations reduces costs and improves efficiency.
Digitalization & Innovation	DFSG	Opportunity 11: Technological Opportunity - Blockchain for Secure Transactions Primary Opportunity Driver: Decrease in operational costs	Operations	Long-term	Indirect decrease in operational expenses (OpEx) Blockchain applications reduce operational costs while minimizing fraud-related risks and expenses.	Blockchain technology enables transactions to be executed transparently and securely. This enhances customer trust and optimizes operational processes.

<sup>156</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (a) (b) (c)

<sup>157</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (a)

<sup>158</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (b)

<sup>159</sup> TSRS 1, Core Content, Strategy, Business Model and Value Chain, Paragraph 32 (b)

<sup>160</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (b)

<sup>161</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (d)

<sup>162</sup> TSRS 1, Core Content, Strategy, Sustainability-related Risks and Opportunities, Paragraph 30 (a)

Climate Action

In light of current realities, when the globally applicable IFRS sustainability reporting standards<sup>163164</sup> and Türkiye’s mandatory Sustainability Reporting Standards (TSRS)<sup>165</sup> are considered, it becomes evident that beyond the general requirements for the disclosure of sustainability-related financial information, the first specific standard published is “S2 – Climate-related Disclosures.” This makes the topic of climate change a mandatory and sector-agnostic priority, together with sector-specific guidance. are considered, it becomes evident that beyond the general requirements for the disclosure of sustainability-related financial information, the first specific standard published is “S2 – Climate-related Disclosures.” This makes the topic of climate change a mandatory and sector-agnostic priority, together with sector-specific guidance. This strategic approach is designed to manage and respond to a set of climate risks and opportunities identified at both the DFSG and Denizbank A.Ş. levels. Among the climate-related risks defined in accordance with TSRS 2, “Risk 13 – Policy & Legal Risk” has been scoped at the Denizbank A.Ş. level with a reasonable financial impact assessment methodology. Climate risks of “Risk 14 – Policy and Legal Risk” and “Risk 15 – Physical Risk,” have been identified at the DFSG level. As of the reporting period, data collection processes for Risk 14 and Risk 15 are still ongoing, and therefore, the evaluation of these risks has been conducted

on a qualitative basis. Furthermore, due to the commercially sensitive nature of the identified climate-related opportunities, these have not been disclosed at this stage<sup>166</sup>.

Climate Resilience & Scenario Analysis

Annex B (B16–B18) of TSRS 2 requires entities to disclose the key assumptions underlying their climate-related scenarios, how those assumptions are reflected in the entity’s geographical areas of operation, and the justification for applying the ‘proportionality’ principle<sup>167</sup>. In this context, DFSG has selected two scenarios<sup>168</sup> from the Phase V scenario set published by the NGFS in November 2024. These scenarios are as follows:

- **Orderly Transition / Net Zero 2050:**  
A scenario based on an accelerated regulatory environment aiming to limit global warming to a maximum average of 1.4°C by the year 2100.
- **Hot-House World / Current Policies:**  
A scenario in which, under current policies with no additional policy measures, global warming reaches approximately 3°C by the year 2100, resulting in an intensification of physical risks.

These two extreme scenarios (transition-related and physical risk-related) have been adapted to DFSG’s geographical footprint (Türkiye, EU, TRNC, Moscow), based on the carbon price trajectories and damage functions included in the NGFS 2025 update<sup>169</sup>.

NGFS Category	Scenario	Average Temperature Increase	2030 carbon price	2050 carbon price*	2050 Global GDP Deviation	Dominant Risk Profile
Orderly	Net Zero 2050	1.4 °C	≈ 100 \$/tCO <sub>2</sub> e	800-1 200 \$/tCO <sub>2</sub> e	≈ 2 %	Low physical risk, moderate transition
Hot-House World	Current Policies	3.0 °C	<20 \$/tCO <sub>2</sub> e	<50 \$/tCO <sub>2</sub> e	≈ 15 %	Severe physical risk

\* Median IAM range: REMIND-MagPIE = USD 1,050/t; GCAM 6.0 = USD 1,300/t; MESSAGEix = USD 820/t<sup>170</sup>. For Türkiye, the 2050 shadow carbon price is modeled in the range of USD 500–850/t.

<sup>163</sup> <https://www.ifrs.org/content/dam/ifrs/publications/pdf-standards-issb/english/2023/issued/part-a/issb-2023-a-ifrs-s1-general-requirements-for-disclosure-of-sustainability-related-financial-information.pdf?bypass=on>

<sup>164</sup> <https://www.ifrs.org/content/dam/ifrs/publications/pdf-standards-issb/english/2023/issued/part-a/issb-2023-a-ifrs-s2-climate-related-disclosures.pdf?bypass=on>

<sup>165</sup> <https://www.kgk.gov.tr/SustainabilityDetailForm/11455/surdurulebilirlik-yayinlar>

<sup>166</sup> TSRS 1, Appendix B Application guidance, Commercially sensitive information, Paragraph B34 – B37

<sup>167</sup> TSRS 2, Paragraph 30

<sup>168</sup> <https://www.ngfs.net/en/publications-and-statistics/publications/ngfs-climate-scenarios-central-banks-and-supervisors-phase-v>

<sup>169</sup> NGFS Climate Scenarios Technical Documentation, Figure 9

<sup>170</sup> NGFS Climate Scenarios Technical Documentation, Figure 9



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The parameters differentiating these scenarios form the basis for DFSG’s transition and physical risk assumptions, which are applied across credit pricing, collateral valuation, and other relevant financial processes. Under these differentiated scenarios, the potential climate sensitivities of DFSG Group companies’ business models have also been assessed.

Business Model ve Climate Sensitivities

DFSG’s subsidiaries exhibit varying climate sensitivities due to differing risk concentrations. This is shown by the separation of banking, factoring, leasing, investment and technology activities for companies with weights according to asset size<sup>171</sup>.

Company	Core Business	Transition Risk Sensitivity	Physical Risk Sensitivity
Denizbank A.Ş.	Corporate and Commercial Banking, SME Banking, Agricultural Banking	Carbon pricing as input cost → net interest margin compression, Regulatory risks potentially arising on the client side due to EU ETS & CBAM	Agricultural yield shocks, payment deferrals due to extreme weather
DenizBank AG	EU Wholesale Banking	Regulatory risks for customers arising from EU ETS & CBAM	Limited
DenizBank Moscow	Russia Wholesale Banking	Regulatory risks	Medium
DenizFactoring	Commercial Receivables Financing	Energy cost increase, regulatory risks	Medium
DenizLeasing	Agricultural equipment, fleet	Risk of value depreciation for internal combustion equipment, regulatory risks	Low/Medium
DenizInvest/ DenizAsset Management	Capital markets	Potential discounts on "brown" (high-emission) assets	Limited
Intertech	Data center & fintech	Limited	Extreme heat & flooding → potential business continuity disruptions, increased cooling costs
Other subsidiaries	Real Estate Investment Trust (REIT)	Medium	Damage (flood, inundation etc) to physical assets such as real estate, energy consumption

This subsidiary level climate sensitivity assessment illustrates which types of climate risks each DFSG company is more exposed to. Building on this sensitivity assessment, a qualitative scenario analysis has been conducted across DFSG’s subsidiaries.

<sup>171</sup> TSRS 2 Appendix Volume 16, s. 4

Scenario Analysis Results

TSRS 2 (B22–B24) requires that the results of climate scenario analysis be presented aligned with short, medium, and long-term time horizons defined by the organization (2027, 2033, 2040)<sup>172</sup>. In this context, the qualitative scenario analysis conducted at the Group level has produced the following results:

Company	Short Term (2027)	Medium Term (2033)	Long Term (2040)	Critical Actions
Denizbank A.Ş.	Transition risk: Input cost increases in agriculture-tourism sectors may rise slightly. The potential impact on net interest margin has not been quantified due to current uncertainties. Physical risk: There is insufficient historical data in the 2024 reporting year to reliably attribute significant physical risk variation to climate change.	Accumulated short-term effects may increase provisioning expenses; risk-weighted assets may increase, potentially pressuring capital adequacy ratios and requiring tighter risk management policies.	NPL (non-performing loan) volatility; potential regulatory pressure to increase capital adequacy ratios (CAR) to reflect climate-related risks.	The inclusion of a climate stress testing component within our ICAAP (Internal Capital Adequacy Assessment Process) evaluations is currently under consideration.
DenizBank AG	Transition risk: Rising ETS costs for energy-intensive clients.	Possible contraction in lending volumes for activities not aligned with EU Sustainable Finance Taxonomy.	Potential increase in PDs (probability of default) for exposures exceeding sector benchmarks under EU ETS.	Regular and high-quality EU Green Asset Ratio (GAR) reporting.
DenizBank Moscow	The lagging status of climate regulations in Russia compared to neighboring geographies may elevate indirect transition risks, particularly in sectors engaged in trade with the EU. Export-oriented clients potentially subject to the CBAM mechanism may exhibit limited capacity for carbon compliance, which could exert pressure on their loan repayment ability.	Russia's delayed integration into international carbon pricing mechanisms may create a competitive disadvantage for energy-intensive firms engaged in trade, particularly over the medium term. This could lead to an increase in PD and deterioration in financial indicators for long-term borrowers. Furthermore, rising temperatures may reduce operational efficiency, heightening chronic physical risks.	Chronic physical risks such as drought, water stress, and flooding may impact the operational domains of corporate clients, potentially triggering collateral value loss and restructuring needs in long-term secured loans. Additionally, firms unable to align with green financing standards may intensify transition risks within the portfolio.	A sensitivity analysis on transition and physical risks will be planned for the Russia-focused loan portfolio. This includes limiting credit exposure to carbon-intensive sectors and developing alternative sustainable financing models.
Deniz Leasing	No significant short-term decline in value/volume of internal combustion engine fleet expected.	In the short term, the share of electric vehicles in the market has increased only due to the Special Consumption Tax (ÖTV) incentive; however, with additional incentives in the medium term, this share could rise further, leading to a significant decline in the share of internal combustion engine vehicles in the fleet.	Depreciation models may require revision as electric vehicle unit costs decrease; the business model may fully shift to electric vehicles.	Consideration of setting targets for green leasing portfolio.
Deniz Factoring	Rising SME energy costs could delay factoring receivables; profitability of SMEs in energy-intensive sectors may decline.	Lower revenues and reduced lending volumes may occur in certain sectors due to energy costs.	Digital green scoring systems may be implemented; ESG criteria may become embedded in factoring products.	Development of ESG-focused factoring products is under consideration.
Investment / Asset Management	No significant short-term discount expected on carbon-intensive ("brown") equities.	Demand for ESG-focused funds may increase, and a greater portion of assets under management may become ESG-aligned.	Up to 40% of assets may shift from "brown" to "green" categories, encouraging development of new ESG-based investment products.	Research is underway on Paris-aligned funds and accreditation schemes in this area.
Intertech	Cooling energy costs for data centers may increase; higher electricity and operating costs expected.	Increased number of extremely hot days may necessitate additional investments in cooling and energy infrastructure.	Back-up and relocation of data centers may become necessary to mitigate flood and other physical risks; this may accelerate transition to low-carbon data centers.	Work is underway to develop a GHG inventory to reduce emissions intensity of data centers.

These projections will inform the quantitative scenario analyses to be initiated by DFSG in future reporting periods.

<sup>172</sup> TSRS 2, Paragraph 33

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### Uncertainties and Critical Assumptions

The outputs of the qualitative scenario analysis are sensitive to policy and climate science assumptions. According to the NGFS Phase V update, projected chronic physical damages are estimated to be 2–4 times higher<sup>173</sup> compared to previous versions, while the range of 2050 carbon prices under the Orderly Transition scenario varies by approximately USD 400 across integrated assessment models (IAMs)<sup>174</sup>.

#### Key Uncertainties

- 1. Policy timeline:** The start date and carbon pricing levels for Türkiye's Emissions Trading System (ETS) remain uncertain (although it is expected to start in 2025), which could impact PDs for manufacturing sector loans sensitive to carbon pricing.
- 2. Chronic physical risk:** Long-term impacts of physical climate risks (temperature increase, drought, water scarcity) on Group operations remain uncertain and are currently assessed hypothetically.
- 3. Energy price volatility:** Large and rapid fluctuations in fossil fuel prices (e.g. oil and gas) could reduce the effectiveness of carbon pricing policies and delay corporate clean energy investments.
- 4. Financial multiplier:** Market premiums on green assets ("greenium") and discounts on carbon-intensive ("brownium") assets may fluctuate with market conditions, increasing portfolio valuation uncertainty and financial risks.

### Transition Roadmap

TSRS 2 (B38–B40) requires financial institutions to disclose a 'transition plan' explaining how scenario analysis results are integrated into governance processes<sup>175</sup> DFSG has adopted a five-step plan aligned with the net-zero strategy of its parent company, Emirates NBD.

Step	Description
Climate Stress Testing Task Force	Credit portfolio will be analyzed using climate scenarios; results will be integrated into ICAAP and risk management policies.
Credit Portfolio Emission Targets	Credit portfolio emissions are measured in alignment with PCAF, and intensity-based sectoral targets have been established; these targets are integrated into Emirates NBD Group's decarbonization strategy.
ESG Risk Rating Methodology	Sector-based risk scores will be developed for physical and transition risks, and integrated into credit allocation and collateral valuation processes.
Sustainable Financing	Thematic bonds and funding sources will be used to support low-carbon transition projects.
Intra-Group Alignment	Portfolios of DFSG affiliates will be aligned with climate targets, supporting the transition to higher-performing sustainable assets.

<sup>173</sup> NGFS Phase V Overview, s. 30

<sup>174</sup> NGFS Fig. 9, s. 49

<sup>175</sup> TSRS 2, Paragraph 38-39

<sup>176</sup> TSRS 2, Appendix B, Paragraph B6

This roadmap aims to ensure aligned growth by preserving the consolidated capital adequacy ratio (18.41%) and enhancing resilience against climate shocks, while also increasing the green asset ratio specifically in Denizbank A.Ş., which holds the highest asset share across the Group. In subsequent reporting periods, qualitative findings summarized here will be supported with quantitative outcomes through scenario analyses where numerical impacts can be demonstrated, ensuring full compliance with the supplementary disclosure requirements of TSRS 2. As of this reporting period, due to the reasons under the "Uncertainties and Critical Assumptions" section and the high uncertainty they may cause, scenario analyses and climate resilience have not been quantitatively assessed<sup>176</sup>.

In connection with this approach, in the upcoming TSRS-based reporting periods, the potential financial impacts of the identified sustainability-related risks and opportunities will be calculated and disclosed in conjunction with the financial statements. Regarding climate change metrics, the greenhouse gas emissions for the reporting period have been calculated across the entire DFSG, disaggregated by subsidiaries, and presented under the section "Metrics and Targets".

The Group-wide "Strategy" and "Risk Management" approaches related to climate change—together with the introduction of our main shareholder Emirates NBD's group-wide decarbonization strategy and the implementation of a Group Climate Risk Policy—will lead to the scaling of the climate-related efforts at Denizbank A.Ş. to the Group level, and will be disclosed in upcoming reporting periods.

As of today, the climate-related risks and opportunities identified at the level of Denizbank A.Ş. and DFSG are as follows.

### Risks<sup>177</sup>

	Risk Type & Primary Risk Driver <sup>178</sup>	Place in the Value Chain <sup>179/180</sup>	Expected Time Horizon <sup>181</sup>	Place in RMS <sup>182</sup>	% of Credit Portfolio
Transition Risk <sup>183</sup> Denizbank A.Ş.	<b>Risk 13: Policy &amp; Legal Risk - Current &amp; Emerging Regulations</b> <b>Primary Risk Driver:</b> Current & Emerging Regulations	Downstream	Short-term Medium-term	Credit Risk	≈ 3,6%

Risk-specific Definition <sup>184</sup>
DenizBank's clients are subject to the evolving regulatory landscape concerning climate change in Türkiye and neighboring regions, particularly in relation to national commitments under the Paris Agreement. As a leading financial institution, Denizbank A.Ş. needs to comply with the expectations of both national and international regulators to align its portfolio with low-carbon transition objectives. These include stricter regulations on emissions and potential carbon pricing mechanisms—such as the EU Carbon Border Adjustment Mechanism (CBAM)—which may increase operating costs for clients, especially in carbon-intensive sectors such as iron and steel, aluminum, fertilizers, cement, and electricity. Failure to anticipate or comply with these regulations could result in distressed assets, elevated credit risk, and potential penalties for non-compliance.
Potential Financial Impact <sup>185</sup>
Due to Türkiye's alignment with the Paris Agreement and the implementation of stricter emission regulations—such as the EU Green Deal's Carbon Border Adjustment Mechanism (CBAM)—the financial impact of anticipated carbon pricing mechanisms is expected to affect Denizbank A.Ş.'s customer portfolio. This risk is particularly concentrated in high carbon-intensive sectors such as iron and steel, aluminum, fertilizers, cement, and electricity services, which together account for approximately TRY 30,142 million as of December 31, 2024, representing 3.6% of our total consolidated gross cash loans of TRY 835,412 million. In the short to medium term, companies operating in these sectors may face increasing financial challenges due to non-compliance with emerging regulations, which in turn could elevate credit risk for DenizBank. Declining profitability and rising operational costs could further erode these customers' debt service capacity, potentially leading to a higher rate of non-performing loans within these sectors. The impact of the adverse scenario analysis applied to the current portfolio on capital adequacy is at a limited that will not cause the absolute level determined for capital ratios to be exceeded.

<sup>177</sup> TSRS 2, Core Content, Strategy, Paragraph 9 (a) (b) (c)

<sup>178</sup> TSRS 2, Core Content, Strategy, Climate-related Risks and Opportunities, Paragraph 10 (a)

<sup>179</sup> TSRS 2, Core Content, Strategy, Paragraph 9 (b)

<sup>180</sup> TSRS 2, Core Content, Strategy, Business Model and Value Chain, Paragraph 13 (b)

<sup>181</sup> TSRS 2, Core Content, Strategy, Climate-related Risks and Opportunities, Paragraph 10 (c)

<sup>182</sup> TSRS 2, Core Content, Risk Management, Paragraph 25 (c)

<sup>183</sup> TSRS 2, Core Content, Strategy, Climate-related Risks and Opportunities, Paragraph 10 (b)

<sup>184</sup> TSRS 2, Core Content, Strategy, Climate-related Risks and Opportunities, Paragraph 10 (a)

<sup>185</sup> TSRS 2, Core Content, Strategy, Financial position, financial performance and cash flows, Paragraph 15 (a) (b)



CORE CONTENT

Strategy

		Risk Type & Primary Risk Driver <sup>186</sup>	Place in the Value Chain <sup>187188</sup>	Expected Time Horizon <sup>189</sup>	Place in RMS <sup>190</sup>
Transition Risk <sup>191</sup>	DFSG	<b>Risk 14: Policy &amp; Legal Risk - Current &amp; Emerging Regulations</b>	Upstream	Short-term	Compliance Risk
		<b>Primary Risk Driver:</b> Climate-related reporting obligations			
Risk-specific Definition <sup>192</sup>					
<p>Although reporting Scope 3 emissions is not mandatory under TSRS 2 for climate-related disclosures, the Group intends to utilize this transitional period as an opportunity to prepare for full compliance. This exemption period provides a window for the Group to engage with its upstream value chain and ensure that its suppliers are ready to provide accurate and comprehensive emissions data.</p> <p>However, the complexity of collecting and verifying such data may pose challenges for the Group, including potential delays or inaccuracies that could hinder compliance once the exemption period ends. During this time, there is a need to develop robust systems and processes to effectively manage data flows. This includes building capacity among suppliers—particularly those providing consultancy, software, and similar services—and establishing clear communication channels to enable timely and accurate data reporting.</p> <p>Failure to manage this process effectively could result in reputational damage once mandatory disclosure requirements come into effect. DFSG and its TSRS-reporting subsidiaries can mitigate this risk by proactively addressing it throughout the two-year transition period and ensuring a smooth adaptation to future requirements.</p>					
Potential Financial Impact <sup>193</sup>					
<p>Short-term financial impact includes rising costs associated with system upgrades, supplier engagement, and the use of third-party consulting services to ensure preparedness. A failure to effectively prepare for new regulations may lead to increased operational costs, data inaccuracies, and potential reputational damage, all of which could adversely affect the Bank's profitability. This risk also encompasses the possibility of financial penalties for non-compliance identified in post-audit periods, which could negatively impact cash flows.</p> <p>However, proactive investment in compliance infrastructure will enable DenizBank to mitigate these risks and enhance its long-term operational efficiency. From a financial impact perspective, the estimated short-term effect will vary depending on the level of investment required for capacity-building and system upgrades. Although such expenditures may temporarily reduce profitability in the short term, they are necessary to avoid potential penalties and operational disruptions in the medium term.</p> <p>These investments will also support DenizBank in aligning with future regulatory frameworks and strengthening its environmental risk management processes, thereby reducing long-term costs and enhancing competitiveness.</p>					

<sup>186</sup> TSRS 2, Core Content, Strategy, Climate-related Risks and Opportunities, Paragraph 10 (a)

<sup>187</sup> TSRS 2, Core Content, Strategy, Paragraph 9 (b)

<sup>188</sup> TSRS 2, Core Content, Strategy, Business Model and Value Chain, Paragraph 13 (b)

<sup>189</sup> TSRS 2, Core Content, Strategy, Climate-related Risks and Opportunities, Paragraph 10 (c)

<sup>190</sup> TSRS 2, Core Content, Risk Management, Paragraph 25 (c)

<sup>191</sup> TSRS 2, Core Content, Strategy, Climate-related Risks and Opportunities, Paragraph 10 (b)

<sup>192</sup> TSRS 2, Core Content, Strategy, Climate-related Risks and Opportunities, Paragraph 10 (a)

<sup>193</sup> TSRS 2, Core Content, Strategy, Financial position, financial performance and cash flows, Paragraph 15 (a) (b)

		Risk Type & Primary Risk Driver <sup>194</sup>	Place in the Value Chain <sup>195196</sup>	Expected Time Horizon <sup>197</sup>	Place in RMS <sup>198</sup>
Physical Risk <sup>199</sup>	DFSG	<b>Risk 15: Acute Physical Risk- Extreme Weather Events</b>	Operations	Long-term	Operational Risk
		<b>Primary Risk Driver:</b> Increased frequency and severence of extreme weather events			
Risk-specific Definition <sup>200</sup>					
<p>DenizBank’s direct operations are becoming increasingly vulnerable to acute physical risks driven by climate change, particularly extreme weather events such as floods, storms, and heatwaves.</p> <p>The Bank’s branch locations, data centers, and headquarters are at operational disruption risk due to such events. For example, heavy rainfall and flooding can damage physical infrastructure, interrupt power supplies, and cause data outages, leading to significant downtime and financial losses.</p> <p>Furthermore, the rising frequency and intensity of heatwaves can strain the Bank’s energy systems, leading to higher cooling costs and potential equipment failures.</p> <p>To mitigate these risks, DenizBank must invest in climate-resilient infrastructure and disaster recovery systems. This includes strengthening facilities to withstand extreme weather events, enhancing backup power systems, and developing comprehensive emergency response plans.</p> <p>By proactively addressing these acute physical risks, DenizBank can reduce potential operational disruptions and financial losses while maintaining business continuity in the face of increasing climate volatility. DFSG’s Business Continuity and Information Systems Policy and Plan, developed as part of its business continuity framework, includes action plans to address potential events arising from climate change-related extreme weather events, such as floods, storms, wildfires, and other natural disasters.</p>					
Potential Financial Impact <sup>201</sup>					
<p>The primary long-term impact relates to operational disruptions caused by floods, storms, and heatwaves. These events can damage physical infrastructure such as buildings, IT systems, and energy supply, leading to prolonged downtime and costly repairs.</p> <p>For example, heavy rainfall may result in flood damage at critical operation centers, causing significant delays in service delivery, erosion of customer trust, and negative impacts on revenue streams.</p> <p>Furthermore, as heatwaves become more frequent and intense, DenizBank may experience equipment failures due to increased cooling costs and stress on energy systems in its data centers, resulting in financial losses.</p> <p>The rising costs of maintaining and upgrading these facilities to withstand extreme weather events will place pressure on the Bank’s financial performance.</p> <p>Over time, this may undermine profitability and reduce operational efficiency, leading to higher operating expenses.</p> <p>From a financial impact perspective, this risk has the potential to significantly affect cash flows.</p> <p>As of the current reporting period, the minimum financial impact is being assessed in terms of damage control and short-term responses to severe weather events.</p> <p>The maximum financial impact, on the other hand, is being considered in light of prolonged operational disruptions, expensive repairs, and the need for resilient infrastructure upgrades.</p>					

<sup>194</sup> TSRS 2, Core Content, Strategy, Climate-related Risks and Opportunities, Paragraph 10 (a)

<sup>195</sup> TSRS 2, Core Content, Strategy, Paragraph 9 (b)

<sup>196</sup> TSRS 2, Core Content, Strategy, Business Model and Value Chain, Paragraph 13 (b)

<sup>197</sup> TSRS 2, Core Content, Strategy, Climate-related Risks and Opportunities, Paragraph 10 (c)

<sup>198</sup> TSRS 2, Core Content, Risk Management, Paragraph 25 (c)

<sup>199</sup> TSRS 2, Core Content, Strategy, Climate-related Risks and Opportunities, Paragraph 10 (b)

<sup>200</sup> TSRS 2, Core Content, Strategy, Climate-related Risks and Opportunities, Paragraph 10 (a)

<sup>201</sup> TSRS 2, Core Content, Strategy, Financial Position, Financial Performance and Cash Flows, Paragraph 15 (a) (b)

CORE CONTENT

Strategy

Opportunities<sup>202</sup>

Due to the commercially sensitive nature of the opportunity identified in relation to climate change, no information is disclosed regarding its commercial aspects<sup>203</sup>.

Opportunity Type & Primary Opportunity Driver <sup>204</sup>		Place in the Value Chain <sup>205,206</sup>	Expected Time Horizon <sup>207</sup>
Denizbank A.Ş.	<b>Opportunity 1: Market Opportunity- Current &amp; Emerging Regulations</b>	Downstream	Short-term Medium-term
	<b>Primary Opportunity Driver:</b> Improved financial performance of the borrowing companies as a result of accessing new markets and developing new products to meet green consumer demand.		
Opportunity-specific Description <sup>208</sup>			
DenizBank has identified alignment with global and national efforts to mitigate climate change as a significant opportunity. With growing demand for green financial products and services, the Bank is positioning itself to expand its portfolio through access to sustainable lending and investment markets. By developing new products tailored to businesses operating in renewable energy, energy efficiency projects, and green technologies, DenizBank can benefit from the shifting consumer and institutional preferences toward low-carbon solutions. This includes offering green loans, sustainability-linked bonds, and tailored financing solutions for companies transitioning toward more sustainable practices. DenizBank's strategic focus on providing financial solutions aligned with climate targets not only strengthens its reputation as a responsible financial institution but also supports financial growth through enhanced market access and portfolio diversification. Proactive engagement with clients in the development of sustainability initiatives and innovative green products is expected to reinforce DenizBank's competitive advantage.			
Potential Financial Impact <sup>209</sup>			
The climate-related opportunity is expected to have a positive impact on DenizBank's financial performance and cash flows in the short and medium term. By leveraging the increasing demand for sustainable financial products, DenizBank anticipates growth in revenues generated from green loans, sustainability-linked bonds, and other climate-aligned financial offerings. The widespread adoption of these products is expected to lead to upward revaluation of assets in the banking portfolio, especially as companies in the renewable energy and green technology sectors continue to expand. Furthermore, the opportunity to serve environmentally conscious clients is likely to enhance the Bank's reputation and strengthen customer loyalty, thereby increasing DenizBank's market share.			
In the short term, DenizBank expects a direct positive impact on cash flows through increased interest income from green financing products. Over the medium term, the Bank plans to expand its sustainable finance portfolio to diversify revenue streams, improve financial resilience, and strengthen resistance to market volatility. As DenizBank positions itself as a leader in climate-related financial products, the Bank anticipates enhanced competitiveness, increased portfolio valuation, and upward pressure on profitability. The magnitude of the financial impact will depend on the scale of market penetration within these green sectors. As more of DenizBank's clients adopt sustainable practices, improvements in credit risk profiles, a reduction in non-performing loans, and long-term value creation are expected. While short-term gains are likely to be moderate, the medium-term impact is expected to be significant, supported by improved brand equity, portfolio diversification, and sustainable growth.			

In relation to the five priority topics defined under the scope of S1 and the risks and opportunities addressed under Climate Action in accordance with S2, DFSG has established a Group-wide Sustainability Strategy as well as a Decarbonization Strategy currently under development by Denizbank A.Ş. (the Bank) as of the reporting period.

The Sustainability Strategy, which has been introduced to ensure the effective management of sustainability and climate-related risks and opportunities across the Group, is structured as follows.

<sup>202</sup> TSRS 2, Core Content, Strategy, Paragraph 9 (a) (b) (c)

<sup>203</sup> TSRS 1, General Requirements, Comparative Information, Paragraph 73

<sup>204</sup> TSRS 2, Core Content, Strategy, Climate-related Risks and Opportunities, Paragraph 10 (a)

<sup>205</sup> TSRS 2, Core Content, Strategy, Paragraph 9 (b)

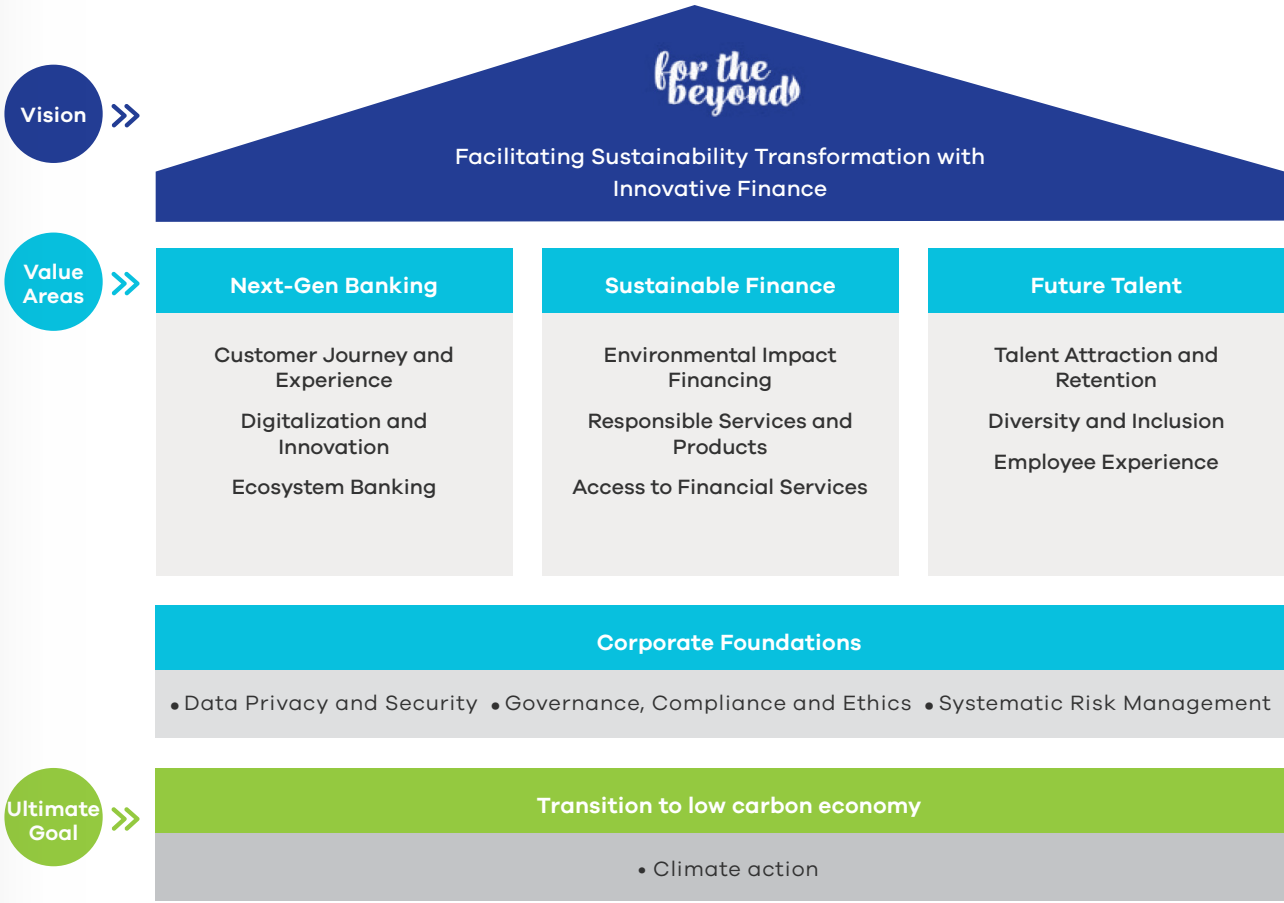
<sup>206</sup> TSRS 2, Core Content, Strategy, Business Model and Value Chain, Paragraph 13 (b)

<sup>207</sup> TSRS 2, Core Content, Strategy, Climate-related Risks and Opportunities, Paragraph 10 (c)

<sup>208</sup> TSRS 2, Core Content, Strategy, Climate-related Risks and Opportunities, Paragraph 10 (a)

<sup>209</sup> TSRS 2, Core Content, Strategy, Financial position, financial performance and cash flows, Paragraph 15 (a) (b)

Sustainability Strategy





## CORE CONTENT

### Strategy

The DFSG Sustainability Strategy has been developed to enhance the resilience of the Group-wide business strategy and model against sustainability-related risks<sup>210</sup>. The strategic approach set forth under the DFSG Sustainability Strategy, aimed at effectively managing the identified sustainability and climate-related risks and opportunities, is aligned with the Emirates NBD Group Sustainability Strategy and its Value Areas<sup>211</sup>. Within this context, under the Sustainable Finance pillar, risks and opportunities related to sustainability are strategically addressed at the DenizBank A.Ş. level through the topics of

Environmental Impact Financing and Access to Financial Services, and at the DFSG level through the topic of Responsible Products and Services. Under the “Next Generation Banking” value domain, risks and opportunities associated with the topic of Digitalization and Innovation, and under the “Talent of the Future” value domain, risks and opportunities related to Talent Attraction and Retention are strategically managed at the DFSG level<sup>212</sup>. In this context, the 2024 actuals and the targets for 2025 and beyond are presented as illustrated in the figure<sup>213</sup>.

Value Area	2024 Achievements	Linked TSRS Information	IAR 2024 page no.
Sustainable Finance	<ul style="list-style-type: none"> <li>• USD 3.2 billion in green &amp; social financing was provided.</li> <li>• New sustainable finance products (e.g., DGRTKST) were developed.</li> <li>• The share of sustainability-linked funding rose to 47 %.</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy – “Sustainability Strategy”</li> <li>• Risk Management – “Risks – Environmental Impact Financing”</li> <li>• Metrics &amp; Targets – Environmental Impact Financing items</li> </ul>	14, 68-69, 74
Transition to Low Carbon Economy	<ul style="list-style-type: none"> <li>• Group-level Scope 1-2 emissions were calculated for the first time and received limited assurance.</li> <li>• Financed emissions were calculated using the PCAF methodology.</li> <li>• A Climate Risk &amp; Opportunity Analysis was conducted.</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy – “Decarbonisation Strategy”</li> <li>• Risk Management – “Risk 14 &amp; Risk 15 (Policy / Physical)”</li> <li>• Metrics &amp; Targets – GHG Emissions tables</li> </ul>	70-71, 158-159
Corporate Foundations	<ul style="list-style-type: none"> <li>• A digital data infrastructure enabling group-wide disclosure was established.</li> <li>• Zero Waste certificates were obtained for 546 locations.</li> <li>• Data Privacy, Systemic Risk and Ethics management practices were strengthened.</li> </ul>	<ul style="list-style-type: none"> <li>• Risk Management – “RISK MANAGEMENT” main heading</li> <li>• Strategy – “Sustainability Strategy” (Foundational Pillars focus)</li> <li>• Metrics &amp; Targets – Digitalization &amp; Innovation</li> </ul>	17-18, 158-159
Next-Gen Banking	<ul style="list-style-type: none"> <li>• MobilDeniz added 163 transaction types / 463 functions, including investment products.</li> <li>• Eco-friendly solutions such as Corporate Digital Approval, TR QR Code &amp; Digital Slip were rolled out.</li> <li>• POSum Cepte reduced paper slips, plastic and electronic waste.</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy – “Sustainability Strategy – Next-Generation Banking”</li> <li>• Risk Management – “Risks – Digitalisation &amp; Innovation”</li> <li>• Metrics &amp; Targets – Digitalisation &amp; Innovation line</li> </ul>	136-137, 140-143
Future Talent	<ul style="list-style-type: none"> <li>• A Women’s Leadership and Development Programme was designed.</li> <li>• 888 thousand hours of training, 3,528 new-hire orientations, a “Data Science School” and 1,300+ university internships were delivered.</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy – “Sustainability Strategy – Talent of the Future”</li> <li>• Risk Management – “Risks – Talent Attraction and Retention”</li> <li>• Metrics &amp; Targets – Talent Attraction &amp; Retention line</li> </ul>	122-125

<sup>210</sup> TSRS 1, Core Content, Strategy, Paragraph 29 (e)

<sup>211</sup> [https://www.emiratesnbd.com/-/media/enbd/files/csr/2024/emirates\\_nbd\\_group\\_2024\\_ifrs\\_s1\\_s2.pdf](https://www.emiratesnbd.com/-/media/enbd/files/csr/2024/emirates_nbd_group_2024_ifrs_s1_s2.pdf), Sayfa 31

<sup>212</sup> TSRS 1, Core Content, Strategy, Paragraph 33 (a)

<sup>213</sup> TSRS 1, Core Content, Strategy, Paragraph 33 (b)

### Decarbonization Strategy

As of the reporting period, DFSG is developing a Decarbonization Strategy at the Denizbank A.Ş. (the Bank) level to manage the risks and opportunities related to Climate Action, which is addressed under the S2 standard. The decarbonization strategy developed for the effective management of climate-related risks and opportunities is aligned with the mitigation strategy implemented at group level by the main shareholder, Emirates NBD.

As of the reporting period, in order to extend this strategy across the DFSG level, various efforts have been undertaken such as the calculation of operational emissions and value chain emissions (GHG Protocol, Scope 1, 2 & Scope 3 Categories 1–14) at group level. The scenario targets of the strategy currently being developed at the Denizbank A.Ş. level are based on the Science Based Targets initiative (SBTi) guidance for the financial services sector<sup>214</sup> or both near- and long-term time horizons. For the near term, a consolidated operational reduction target for Scope 1 and 2 emissions has been developed for Denizbank A.Ş., with self-consumption of electricity generated from renewable sources identified as the primary instrument.

In addition, the category of financed emissions, which constitutes the main impact of the Bank’s emissions, has begun to be calculated

using the PCAF (Partnership for Carbon Accounting Financials) methodology<sup>215</sup> based on outstanding balance data as of 31.12.2024, focusing on high-impact clients and sectors. Following the extension of the calculation to cover the subsequent fiscal year and the improvement of data quality, sectoral portfolio targets will be established by referencing relevant frameworks (e.g., SBTi<sup>216</sup>, PACTA<sup>217</sup>). For this reason, no disclosure has been made regarding Scope 3 Category 15: Financed Emissions during the current reporting period, by making use of the transition provisions.

Once the Group-level decarbonization strategy of Emirates NBD and the corresponding DFSG-level strategy are finalized, future TSRS 2 reports will include DFSG-specific details under the Strategy and Decision-Making<sup>218</sup> section. For this reporting period, DFSG’s consolidated Scope 1 and Scope 2 greenhouse gas inventory has been disclosed. The identification of sustainability-related risks and opportunities was conducted through a Group-wide screening process aimed at identifying common risks and opportunities across the Group, and no separate risk-opportunity assessment has been performed at the subsidiary or affiliate level. Accordingly, disclosures under TSRS 2 sector-specific guidance<sup>219</sup> have been limited to the 'Metrics' section of the Commercial Banks Guidance, with a focus on the Parent Bank, DenizBank.

<sup>214</sup> <https://sciencebasedtargets.org/sectors/financial-institutions>

<sup>215</sup> <https://carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf>

<sup>216</sup> <https://sciencebasedtargets.org/resources/files/Financial-Sector-Science-Based-Targets-Guidance.pdf>

<sup>217</sup> <https://pacta.rmi.org/>

<sup>218</sup> TSRS 2, Core Content, Strategy, Strategy and decision-making, Paragraph 14 (a) – (c)

<sup>219</sup> <https://kgk.gov.tr/SustainabilityDetailForm/11696/TFRS2>

## CORE CONTENT

### Risk Management

DFSG is exposed to financial and non-financial risks of varying scale and likelihood throughout the value chain; a significant subset of these are sustainability-related risks (environmental, social, and governance—ESG) and climate-related risks. These risks differ in intensity, degree, and severity, and exert different impacts on DFSG's business and operations. Risk management at DFSG is implemented in alignment with the Group Risk Management Framework, Group Risk Appetite Statements, and other policies and frameworks of the majority shareholder, Emirates NBD. DFSG's risk management process and procedures are disclosed on pages 146–151 of the DenizBank 2024 Integrated Annual Report.

The climate strategy of Emirates NBD Group has been incorporated into the Group Risk Management Framework and is managed across several initiatives including the Climate Risk Policy and the Environmental and Social Risk Policy Framework "ESRPF", covering DFSG. Climate risks at DFSG are managed through the DFSG Climate Risk Policy which is directly adopted from Emirates NBD Group Climate Risk Policy. This policy is designed to integrate climate risks into DFSG's risk management framework. It aims to provide assurance to shareholders, investors, supervisory authorities, and other stakeholders that climate risks threatening DFSG's financial performance and resilience are identified, measured, mitigated, monitored, and reported.

The Climate Risk Policy applies to all DFSG companies. Overseas subsidiaries and branches of DFSG may additionally define local regulatory and compliance issues not covered under the Climate Risk Policy, in accordance with their respective local regulations and requirements.

The financial impacts of climate change on DFSG's portfolio and operations materialize through various transmission channels:

- Credit Risk: Defaults by businesses and households
- Market Risk: Repricing of equities, fixed income securities, commodities

- Liquidity Risk: Increased demand for liquidity, refinancing risk
- Operational Risk: Supply chain disruptions, business discontinuity
- Insurance Risk: Rising insurance losses, increasing protection gaps

The Climate Risk Policy is reviewed at least annually and submitted to the Board of Directors for approval if changes are made. To ensure robust climate risk management, climate-related decisions will be integrated into DFSG's core decision-making bodies.

While the Board of Directors holds ultimate responsibility for implementing, monitoring, managing, and overseeing the Climate Risk Policy, governance and oversight of environmental and social risks are exercised via the Sustainability Committee. This committee is the senior governing body responsible for all sustainability-related matters.

Committees responsible for climate risk management at DFSG include:

1. Executive Committee
2. Audit and Risk Committee
3. Sustainability Committee
4. Credit Committee
5. Asset-Liability Committee (ALCO)
6. Emirates NBD – Türkiye Subsidiaries – Climate Credit Risk Management Committee

**Executive Committee:** Guides ESG risk and strategy

**Audit and Risk Committee:** Audits the compliance of all DFSG units with the Climate Risk Policy

**Sustainability Committee:** Oversees the implementation and monitoring of the DenizBank Sustainability Strategy and ensures integrated, high-level governance for all ESG-related activities

**Credit Committee:** Responsible for considering ESG risk impacts as part of the credit/investment proposal review and approval process

**ALCO:** Reviews and approves policies and methodologies related to market and liquidity risks stemming from climate risks

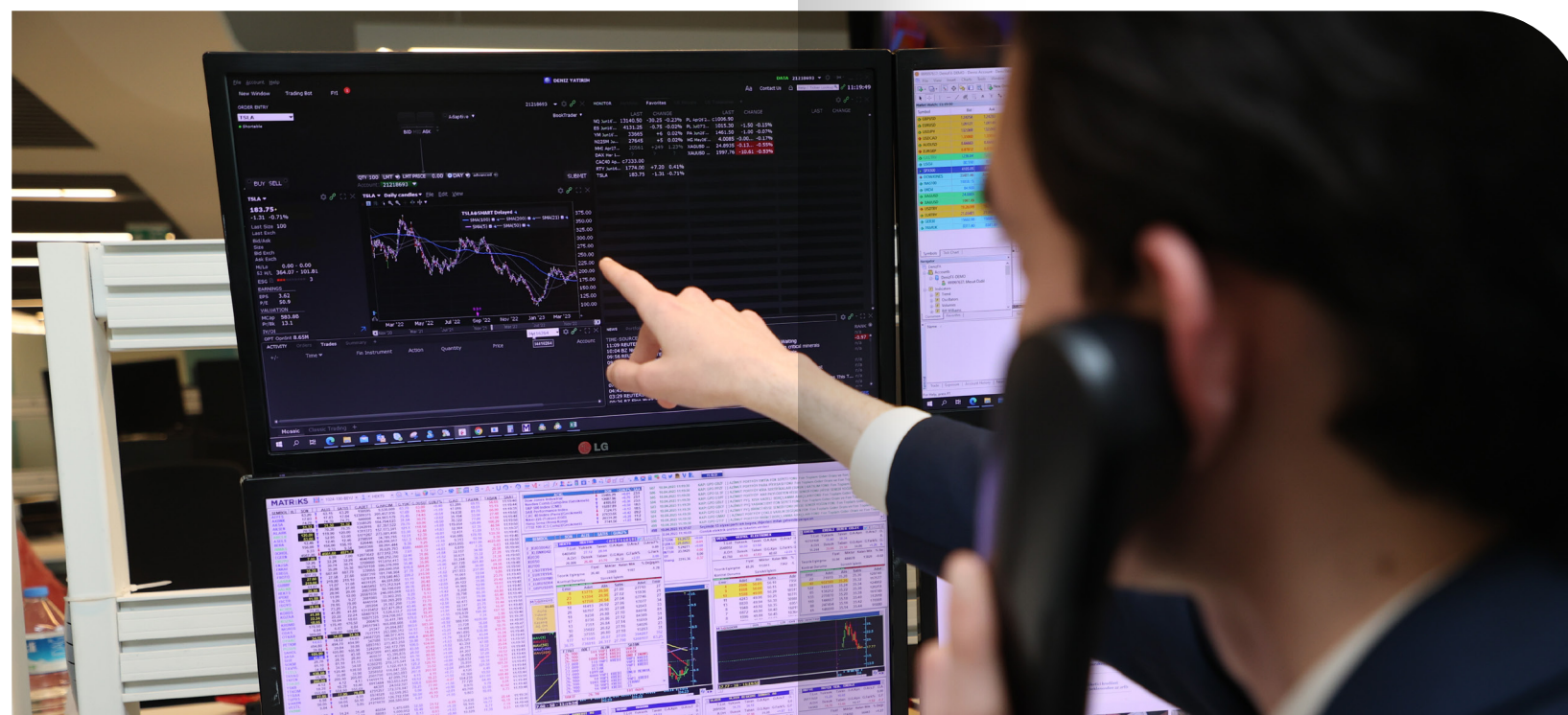
**Emirates NBD – Türkiye Subsidiaries - Climate Credit Risk Committee<sup>220</sup>:** Ensures oversight and monitoring of Group policies in accordance with especially UAE Central Bank requirements, and the requirements of climate regulations of the geographies where DenizBank operates.

DFSG applies a three-lines-of-defense model throughout the climate risk lifecycle. The materiality assessment of climate risks aims to identify the magnitude and significance of physical and transition risks to DFSG, and to proactively monitor and manage them.

1. Environmental and Social Risk Assessment
2. Estimation and Mitigation of Financed Emissions
3. Climate Risk Scenario Analysis and Stress Test Outcomes

The results of these assessments are reviewed and submitted to relevant committees for evaluation and approval.

In alignment with strategic plans and assessment results, DFSG sets climate risk appetite metrics. Threshold values are documented in the Risk Appetite Statement approved by the Board of Directors and are monitored periodically.



<sup>220</sup> As of the date of publication of this Report, this Committee has not yet started its activities. It is expected to start its activities before the end of 2025.



## CORE CONTENT

### Metrics and Targets

In accordance with TSRS standards, DFSG is required to disclose various sustainability-related metrics that provide in-depth insights into its governance structures, risk management processes, and alignment of sustainability objectives with strategic direction. These disclosures enable stakeholders to assess the Group's resilience, adaptability, and long-term value creation potential in the face of sustainability-related challenges and dynamic external factors. In this context, DFSG aims to transparently present not only its current performance but also its forward-looking strategic orientation.

TSRS 2 further advances these requirements by mandating detailed and qualitative disclosures on climate-related risks and opportunities. The increased clarity provided on climate-related metrics and targets broadens and deepens the scope of the Group's sustainability reporting. DFSG's approach in this regard is founded on transparency, accountability, and sustainable value creation, delivering clear, comprehensive, and internationally aligned disclosures that meet stakeholder expectations.

The sustainability metrics used are directly linked to the Group's core business activities and are systematically selected to reflect environmental and social impacts. Through these metrics, DFSG sets ambitious yet realistic targets aimed at driving measurable progress, embedding sustainability criteria in operational and strategic decision-making, and generating positive societal and environmental outcomes.

DFSG regularly monitors and reports on its performance against these foundational sustainability metrics. The defined targets are supported by tangible action plans and strategic initiatives that enhance the Group's capacity to effectively manage sustainability-related risks and opportunities. Accordingly, the disclosures cover not only current performance but also the Group's continuous improvement culture and long-term impact objectives.

To ensure transparency and reliability, DFSG provides detailed information on its data collection methodologies and the reporting standards applied in its processes. Any changes made to the metrics used or to the reporting methodologies are also disclosed in a clear and comprehensive manner, thereby ensuring consistency, comparability, and accuracy in reporting.

Across all business lines and activities, DFSG continues to enhance its data collection and analytical capabilities regarding the impacts of sustainability and climate-related risks and opportunities on business decisions. The Group is **committed to further increasing and deepening the disclosure of quantitative information** related to these factors in future reports, in full alignment with TSRS 1 and TSRS 2 standards. This will provide stakeholders with a broader perspective on the Group's sustainable transformation journey.

The data presented in the tables of this report cover the period **from January 1, 2024 to December 31, 2024**, providing a comprehensive view of the Group's sustainability performance for the reporting period.

Value Area	Material Topic	Disclosure Topic	Type	Unit	Source	Value
Sustainable Finance	1 Environmental Impact Financing	Total Loan Amount Granted to Renewable Energy Projects as of Year-End 2024 – DFSG	Metric	TRY	Internal	53.6 billion
		Total Loan Amount Granted to Renewable Energy Projects as of Year-End 2024 – DFSG	Metric	USD	Internal	1.5 billion
		Number of clients assessed for environmental and social criteria	Metric	quantity	Internal	136,674
		Development of Sustainable Finance (2025–2030) Action Plan	Target	Yes/No	Internal	Yes
		Amount of Sustainability-Linked Financing	Metric	USD	Internal	3.2 billion
		Increasing DFSG's share within the USD 30 billion of total financing to be disbursed across the Emirates NBD (ENBD) Group by 2030	Target	%, USD	Internal	To become clear with the completion of the ENBD group-wide strategies
	2 Responsible Products and Services	Development of new sustainable finance products	Target	Yes/No	Internal	Will be included in 2025 targets
		Materialized Adverse Events and Penalties – DFSG	Metric	Amount	GRI	0
		Sustainability-Linked Products and Services – DenizBank	Metric	Amount	GRI	10
	3 Access to Financial Services	Development of products and services for unbanked, underbanked, or underserved customers – DenizBank	Target	Yes/No	SASB	Yes
		Number of "Producer Card" users	Metric	quantity	Internal	>500k
Future Talent	4 Talent Attraction and Retention	Employee Turnover Rate – DFSG	Metric	%	GRI	22.9
		Employee engagement score – DFSG	Metric	Score, %	GRI	60
		Training hours per employee – DFSG	Metric	hours	GRI	59
		Women in management ratio – DFSG	Metric	%	GRI	35
		Development of Women's Leadership and Development Program – DFSG	Target	Yes/No	Internal	Yes
Next-Gen Banking	5 Digitalization & Innovation	Development of innovative/ sustainability-focused applications via MobileDeniz or other digital channels	Target	Yes/No	Internal	Yes
		Digital penetration rate among active customers	Metric	%	Internal	82
		Cybersecurity Incidents Experienced – DenizBank	Metric	quantity	Internal	0
		Systematic tracking of Green and Social Loans (project launch)	Target	Yes/No	Internal	Yes

## CORE CONTENT

### Metrics and Targets

Value Area	Material Topic	Disclosure Topic	Type	Unit	Source	Value
Transition to Low Carbon Economy	6 Climate Action	Scope 1 — Direct GHG emissions — DFSG	Metric	tCO <sub>2</sub> e	GHG Protocol	15,594
		Scope 2 — Indirect energy-related GHG emissions — DFSG	Metric	tCO <sub>2</sub> e	GHG Protocol	26,410
		ESG factor integration in credit analysis	Discussion & Analysis	N/A	TSRS 2 Vol. 16	In 2024, an IT project was completed to enable ESG risk assessments for all loans except retail. Implementation of ESG factors into credit analysis is under evaluation.
		(a) Number and (b) value of checking and savings accounts by segment: (1) personal and (2) small business	Metric	Quantitative (thousand TRY)	TSRS 2 Vol. 16	a.1. 7,903,203 a.2. 463,591,810 b.1. 993,069 b.2. 260,248,315
		(a) Number and (b) value of loans by segment: (1) personal, (2) small business, and (c) corporate	Metric	Quantitative (thousand TRY)	TSRS 2 Vol. 16	a.1. 4,257,478 a.2. 195,970,955 b.1. 660,978 b.2. 512,503,184
		Description of approach to incorporation of environmental, social and governance (ESG) factors in investment banking and brokerage activities – Deniz Yatırım	Discussion & Analysis	N/A	TSRS 2 Vol. 18	Within the scope of the DFSG Sustainability Management System, efforts have been initiated to extend the sustainability-related work carried out at Denizbank A.Ş. across the group based on topics, targets, and metrics. In subsequent reporting periods, we will report the reflections of this process at the subsidiary level where necessary (e.g., the TSRS reporting process of Deniz Yatırım).
		(1) Number and (2) value of (a) underwriting, (b) advisory, and (c) securitisation transactions <sup>221</sup> – Deniz Yatırım	Metric	Quantitative (thousand TRY)	TSRS 2 Vol. 18	(a) (1) 4 (2) 6,844,433 (b) (1) 1 (2) 9,530 (c) (1) 89 (2) 13,633

<sup>221</sup> For syndicate transactions, the entity shall include only the value for which it was accountable

Value Area	Material Topic	Disclosure Topic	Type	Unit	Source	Value
Transition to Low Carbon Economy	6 Climate Action	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing and (3) screening – Deniz Portföy	Metric	Quantitative (thousand TRY)	TSRS 2 Vol. 15	(1) Within the scope of the DFSG Sustainability Management System, efforts have been initiated to extend the sustainability-related work carried out at Denizbank A.Ş. across the group based on topics, targets, and metrics. In subsequent reporting periods, we will report the reflections of this process at the subsidiary level where necessary (e.g., Deniz Portfolio practices within the Deniz Yatırım TSRS reporting process). (2) Four thematic funds focusing on Sustainability and Agriculture have been established. (3) The total size of the three sustainability funds is 133,445, while the size of the agriculture and food fund is 83,921.
		Description of approach to incorporation of environmental, social and governance (ESG) factors in investment or wealth management processes and strategies – Deniz Portföy	Discussion & Analysis	N/A	TSRS 2 Vol. 15	As part of the DFSG Sustainability Management System, efforts have been initiated to expand the sustainability-related activities carried out at Denizbank A.Ş. across the group, based on topics, targets, and metrics. In subsequent reporting periods, we will report the reflections of these efforts at the subsidiary level, where needed (e.g., the Deniz Portfolio application within the TSRS reporting process of Deniz Yatırım).  We manage our investors' savings through the funds we have established with the goal of a sustainable future.
		Total assets under management (AUM)	Metric	Quantitative (thousand TRY)	TSRS 2 Vol. 15	482,679,557



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Cross-industry Metrics

Metric Categories		Disclosures/Values
1	Greenhouse Gas Emissions (Scope 1-2-3)	Scope 1-2 emissions are presented below. Scope 3 emissions are not provided in this report as there is a transition relief for Scope 3 emissions disclosure in this reporting period.
2	Climate-related Transition Risks	Information is provided in Risk 13: the Policy & Legal Risk / Potential Financial Impact section. The share of loans given to carbon-intensive iron-steel, aluminum, fertilizer, cement and electricity sectors in total loans is 3.6%.
3	Climate-related Physical Risks	Labeling of loans based on geographical location and physical risk has not started, and technical preparations in this direction are ongoing.
4	Climate-related Opportunities	As of the end of 2024 (starting in 2006), Total amount of loans granted to renewable energy projects is USD 1.5 billion (TL 53.6 billion), and its share in total project loans is 31%.
5	Capital Allocation	Allocation of capital regarding climate-related risks and opportunities are driven by Bank's own resources. Potential investments are assessed in line with the results of climate-related risks annually.
6	Internal Carbon Prices	The internal carbon pricing mechanism is not implemented; however, regulatory developments regarding carbon pricing in Türkiye are being monitored and CO <sub>2</sub> e prices per ton projected for 2050 are taken as basis in scenario analysis.
7	Remuneration	As mentioned in the Governance Section, ESG-related targets including sustainability and climate change components have a 10% weighting in the performance scorecards which directly affects remuneration.

DFSG EMISSION TABLE			
01.01.2024 - 31.12.2024	Scope 1	Scope 2	Total
DFSG	15,594	26,410	42,004
Denizbank A.Ş.	14,676	21,480	36,156
Denizbank A.Ş.	14,676	21,480	36,156
Deniz Kültür Sanat Yayıncılık Tic. ve San. A.Ş.	0	0	0
Deniz Faktoring A.Ş.	43	92	135
Deniz Finansal Kiralama A.Ş.	108	156	265
Deniz Finansal Kiralama A.Ş.	81	156	237
Ekspres Gayrimenkul Turizm Yatırım İşl. ve Tic. A.Ş.	27	0	27
Deniz Yatırım Menkul Kıymetler A.Ş.	63	303	366
Deniz Yatırım Menkul Kıymetler A.Ş.	41	228	270
Deniz Portföy Yönetimi A.Ş.	22	74	96
Intertech Bilgi İşlem ve Pazarlama A.Ş.	372	1,164	1,536
Intertech Bilgi İşlem ve Pazarlama A.Ş.	333	971	1,304
Neohub Bulut Teknolojileri A.Ş.	39	192	232
Deniz Gayrimenkul Yatırım Ortaklığı A.Ş.	274	3,027	3,301
Deniz Gayrimenkul Yatırım Ortaklığı A.Ş.	20	38	58
İstiklal Avm	211	2,013	2,224
Le Chic Bodrum	44	975	1,019
DenizBank AG (Wien)	32	67	99
JSC DenizBank Moscow	6	60	66
DenizÖde Elektronik Para ve Ödeme Hiz.A.Ş.	19	61	81

Denizbank A.Ş. has financial and operational control over all its subsidiaries. Emission consolidation was done with the financial control method.

The emissions of companies (subsidiaries) owned by Denizbank A.Ş.'s subsidiaries are consolidated within the owner company. All processes of Deniz Kültür Sanat Yayıncılık Tic. ve San. A.Ş. are carried out within the Denizbank A.Ş. HQ building and emissions are calculated within Denizbank A.Ş.

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TSRS Compliance Table

TSRS Standard & Relevant Paragraph	Paragraph Title	Related Section	Compliance Status / Reliefs / Gaps
TSRS 1, Par. 19	Materiality	Materiality	Met
TSRS 1, Par. 20	Reporting Entity	Reporting Entity	Met
TSRS 1, Par. 21-24	Connected Information	Connected Information	Met
TSRS 1, Par. 25-26	Fair Presentation	Fair Presentation	Met
TSRS 1, Par. 27-28	Comparative Information	Comparative Information	Met (with first-period exemption noted)
TSRS 1, Par. 29	Connected Information – Relevant Elements	Connected Information	Met
TSRS 1, Par. 31-34	Governance Disclosures	GOVERNANCE	Met
TSRS 1, Par. 35-40	Strategy Disclosures	STRATEGY	Met
TSRS 1, Par. 41-45	Risk Management Disclosures	RISK MANAGEMENT	Met
TSRS 1, Par. 46-55	Metrics & Targets	METRICS AND TARGETS	Met
TSRS 2, Par. 5-9	Governance (Climate)	GOVERNANCE	Met
TSRS 2, Par. 14-21	Strategy (Climate Risk & Opportunity)	Climate Action	Met
TSRS 2, Par. 22	Climate Resilience (Scenario Analysis)	Climate Action	Partially Met → Scenario analysis is qualitative only in first period; TSRS 2 Appendix C Transition Relief applied.
TSRS 2, Par. 23-24	Disclosure of Resilience Outcomes	Climate Action	Partially Met (qualitative); TSRS 2 Appendix C Transition Relief applied.
TSRS 2, Par. 26-28	Risk Management (Climate)	RISK MANAGEMENT	Met
TSRS 2, Par. 29 (a)(i-ii)	Greenhouse Gas Emissions (Scope 1-2)	METRICS AND TARGETS	Met
TSRS 2, Par. 29 (a)(iii)	Greenhouse Gas Emissions (Scope 3)	METRICS AND TARGETS	Not Yet Met → As stated on p. 54, Scope 3 Category 15 (Financed Emissions) not disclosed this period under transition relief.
TSRS 2, Par. 30-31	Metrics & Targets (Climate)	METRICS AND TARGETS	Not Yet Met → Operational and portfolio targets not presented in first period under transition relief.
TSRS 1 & S2, Appendix B – B34-B37	Commercially Sensitive Information Relief	Climate Action	Relief applied: commercially sensitive opportunities disclosed in aggregate only.

Independent Auditor's Limited Assurance Report



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

INDEPENDENT PRACTITIONER’S LIMITED ASSURANCE REPORT ON THE  
SUSTAINABILITY INFORMATION PRESENTED BY DENİZBANK A.Ş. AND IT’S  
SUBSIDIARIES IN ACCORDANCE WITH TURKISH SUSTAINABILITY REPORTING  
STANDARDS

To the General Assembly of Denizbank A.Ş.,

We have undertaken a limited assurance engagement on Sustainability Information presented in the Sustainability Report of Denizbank A.Ş. for the year ended 31 December 2024 in accordance with Turkish Sustainability Reporting Standards 1 “General Requirements for Disclosure of Sustainability-related Financial Information” and Turkish Sustainability Reporting Standards 2 “Climate-Related Disclosures”.

Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the 2024 Integrated Annual Report, or linked to from the Sustainability Information or from the 2024 Integrated Annual Report (including any images, audio files, documents embedded in a website or embedded videos).

Limited Assurance Conclusion

Based on the procedures we have performed as described under the “Summary of the work we performed as the basis for our assurance conclusion” and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information presented in the Group’s Sustainability Report for the year ended 31 December 2024, is not prepared, in all material respects, in accordance with Turkish Sustainability Reporting Standards (“TSRS”), as published by the Public Oversight Accounting and Auditing Standards Authority of Türkiye (“POA”) in the Official Gazette dated 29 December 2023 and numbered 32414(M).

We do not express an assurance conclusion on information in respect of earlier periods or on any other information included in the 2024 Integrated Annual Report or linked to from the Sustainability Information or from the 2024 Integrated Annual Report (including any images, audio files, documents embedded in a website or embedded videos).

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## CORE CONTENT

### Independent Auditor's Limited Assurance Report



#### Emphasis of Matter

As explained in the “General Provisions” section of the Sustainability Report, the Group has benefited from the exemption from presenting comparative information in accordance with the Provisional Article 1 of the “Board Decision on the Scope of Application of Turkish Sustainability Reporting Standards (TSRS)” published in the Official Gazette dated 29 December 2023 and numbered 32414 (M). Therefore, since the accompanying sustainability report is Group's first sustainability report prepared in accordance with TSRS, comparative information is not presented.

As explained in the “Metrics and Targets” section of the Sustainability Report, the Group has benefited from the exemption not to disclose Scope 3 greenhouse gas emissions for the first two years in accordance with the Provisional Article 3 of the “Board Decision on the Scope of Application of Turkish Sustainability Reporting Standards (TSRS)” published in the Official Gazette dated 29 December 2023 and numbered 32414 (M). Therefore, since the accompanying sustainability report is the Group's first sustainability report prepared in accordance with TSRS, Scope 3 greenhouse gas emissions are not disclosed.

#### Inherent Limitations in Preparing the Sustainability Information

Sustainability Information presented in the Sustainability Report is subject to inherent uncertainty due to incomplete scientific and economic knowledge. Greenhouse gas emission quantification is subject to inherent uncertainty due to incomplete scientific knowledge. Additionally, the Sustainability Information includes information based on climate-related scenarios that is subject to inherent uncertainty due to incomplete scientific and economic knowledge about the likelihood, timing or effect of possible future physical and transitional climate-related impacts.

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

The Group Management is responsible for:

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

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



#### Practitioner's Responsibilities for the Limited Assurance on Sustainability Information

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained and informing the Group management of the conclusion we have reached.
- Performing risk assessment procedures to obtain an understanding of the Group's internal control structure and to identify and assess the risks of material misstatement of sustainability information, whether due to fraud or error, but not for the purpose of expressing an assurance conclusion on the effectiveness of the Group's internal control.
- Designing and implementing procedures to identify and address areas of the Sustainability Information that may contain material misstatements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information in order to ensure that our independence is not compromised.

#### Professional Standards Applied

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

#### Independence and Quality Control

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



## CORE CONTENT

## Independent Auditor's Limited Assurance Report



## Summary of the Work We Performed as the Basis for Our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Sustainability Information, we:

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

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



Tolga Sirkecioğlu  
Partner

İstanbul, 10 July 2025

## CONTACT

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## Domestic Branches

DenizBank has 628 branches in Türkiye. Information on domestic branches is available on the DenizBank website:  
<https://www.denizbank.com/en/service-points/default.aspx>

## Foreign Branches

## Bahrain Branch

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## Trade Registry No

368587

## Website

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