Alternatif Bank

# TSRS-Compliant Sustainability Report
2025

# Table of Contents



# About the Report

## Information Linked to Financial Disclosures

Drafted by the Public Oversight, Accounting and Auditing Standards Authority (POA) and put into force upon promulgation in the Official Gazette No. 32414 (R) of December 29 2023, Turkish Sustainability Reporting Standards (TSRS), including **Turkish Sustainability Reporting Standard 1 (TSRS 1)** – *"General Requirements for the Disclosure of Sustainability-Related Financial Information"*, and **Turkish Sustainability Reporting Standard 2 (TSRS 2)** – *"Climate-Related Disclosures"*, were officially implemented for accounting periods beginning on or after January 1, 2024.

This report has been drawn up by Alternatifbank A.Ş. (referred to as "the Bank" or "Alternatif Bank" in the remainder of this Report) in accordance with the TSRS. The reporting period covers the 12-month period from January 1 to December 31, 2025, consistently with the financial statements prepared in accordance with Turkish Financial Reporting Standards (TFRS). The financial information included in this Report is presented in Turkish Lira (TRY), the currency used in the preparation of the financial statements, to ensure consistency and connectivity between sustainability- and climate-related disclosures and the associated financial information.


## Reporting Boundaries and Measurement Approach

In preparing the report, the metrics defined for Volume 16 - Commercial Banks have been considered within the scope of the Guidance on the Sector-Based Application of TSRS 2 Climate-Related Disclosures, derived from the Sustainability Accounting Standards Board (SASB) Standards maintained by the International Sustainability Standards Board (ISSB). In this context, the industry-based metrics set out in Appendix Volume 16 have been assessed with due consideration to their relevance and alignment with the Bank's activities and reporting framework, and the related disclosures have been included in the "Metrics and Targets" section of this Report.

In this report, the following transitional reliefs have been applied within the scope of the Board Resolution published in the Official Gazette No. 33123 dated 30 December 2025 by the Public Oversight regarding "Exemptions to be Applied in the Preparation of Sustainability Reports for the 2025 Reporting Period by Entities Preparing Sustainability Reporting in Accordance with the TSRS for the First Time in the 2024 Reporting Period":

**Transitional Reliefs**

- **TSRS 1 - E4 (a):** Sustainability-related financial disclosures are reported following the publication of the financial statements for the accounting period from January 1, 2025 to December 31, 2025.
- **TSRS 1 - E5:** The report includes only disclosures on climate-related risks and opportunities, and the provisions of the standards have been applied solely within this scope.
- **TSRS 1 - E6 (b):** Comparative information on sustainability matters other than climate-related risks and opportunities has not been presented for the second annual reporting period.
- Pursuant to the Provisional Article 3 of the Board Resolution on the Scope of Application of the TSRS and in accordance with the transitional relief provided under paragraph C4(b) of TSRS 2 General Disclosures, disclosure of Scope 3 emissions is not mandatory during the two-year period covering the first application of the standards. In accordance with the Board Resolution of the Public Oversight, Accounting and Auditing Standards Authority (KGK), published in the Official Gazette dated 29 December 2023 and numbered 32414, Scope 3 indirect greenhouse gas emissions for the 2024 and 2025 reporting periods have not been included in this report.

The report covers the banking operations of Alternatif Bank and its subsidiaries. Unless otherwise stated, all information and statements contained in this report refer collectively to Alternatifbank A.Ş., Alternatif Finansal Kiralama A.Ş., Alternatif Menkul Değerler A.Ş. and Omurga Gayrimenkul ve Girişim Sermayesi Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu.

## Judgements and Uncertainties

The data presented in this Report have been obtained from the internal records of Alternatif Bank and its subsidiaries, as well as from third-party data providers assessed by the Bank as reliable and appropriate for the relevant data requirements. In determining the financial implications of climate-related risks, the Bank has utilised Internal Capital Adequacy Assessment Process (ICAAP). The frequency and severity of extreme weather events associated with climate change are subject to significant uncertainty due to variability in climate projections, differences in meteorological modelling approaches, and the evolving nature of climate conditions. Accordingly, the scenario analyses conducted have been developed based on specific assumptions and methodologies. Given that such analyses may not fully reflect future climate conditions, they have been designed in a manner that allows for review and revision in line with future developments and emerging information.

## Fair Presentation

The information disclosed in this Report is presented in a complete, neutral, and accurate manner to ensure a fair representation of the matters addressed.

# About the Bank

Having entered the Turkish banking sector in 1991, Alternatif Bank became a wholly owned subsidiary of Commercial Bank at the end of 2016 and has continued its operations under this structure. Alternatifbank A.Ş. has three subsidiaries based in Türkiye: Alternatif Finansal Kiralama A.Ş., Alternatif Menkul Değerler A.Ş. and Omurga Gayrimenkul ve Girişim Sermayesi Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu. The Bank's TSRS-Compliant Sustainability Report has been prepared on a consolidated basis, including the climate-related disclosures of Alternatif Bank's subsidiaries, in accordance with the Procedures and Principles Regarding the Scope of Application of the Turkish Sustainability Reporting Standards, prepared by the POA and published in the Official Gazette dated July 16, 2025, No. 32957.

Information regarding Alternatif Finansal Kiralama A.Ş., Alternatif Menkul Değerler A.Ş. and Omurga Gayrimenkul ve Girişim Sermayesi Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu, which are included within the reporting scope, is provided below:

## Alternatif Finansal Kiralama A.Ş.

Alternatif Lease

Founded in 1997 and operating as a 100% indirect subsidiary of Qatar-based Commercial Bank and a direct subsidiary of Alternatifbank A.Ş., Alternatif Finansal Kiralama A.Ş. (Alternatif Lease) is one of the leading institutions in the financial leasing sector. With its sales team dedicated to the dealer channel, Alternatif Lease develops alternative solutions to provide financing for increasing the equipment sales of vendors, distributors and dealers in the sector. Small and medium-sized companies form the main outline of Alternatif Lease's portfolio.

Alternatif Lease is headquartered in Istanbul and has one branch each in Ankara, Izmir and Bursa.

### Governance:

Due to its status as a subsidiary, the sustainability governance of Alternatif Lease is carried out directly in line with the sustainability governance structure of Alternatifbank A.Ş. There is no separate committee or board within the Alternatif Lease, and it acts in line with the decisions and practices of the Sustainability Committee operating within Alternatif Bank.

## Alternatif Menkul Değerler A.Ş.

Alternatif Menkul

Founded in 1997 and operating as a 100% indirect subsidiary of Qatar-based Commercial Bank and a direct subsidiary of Alternatifbank A.Ş., Alternatif Menkul Değerler A.Ş. (Alternatif Menkul) is a partially authorised brokerage house operating under Capital Markets legislation. Alternatif Menkul's services consist of transaction brokerage, investment advisory, individual portfolio management and limited custody services in equity markets, debt securities, mutual funds and money markets, as well as public offering, acquisition and merger services in corporate finance.

The Company has no branch/agency.

### Governance:

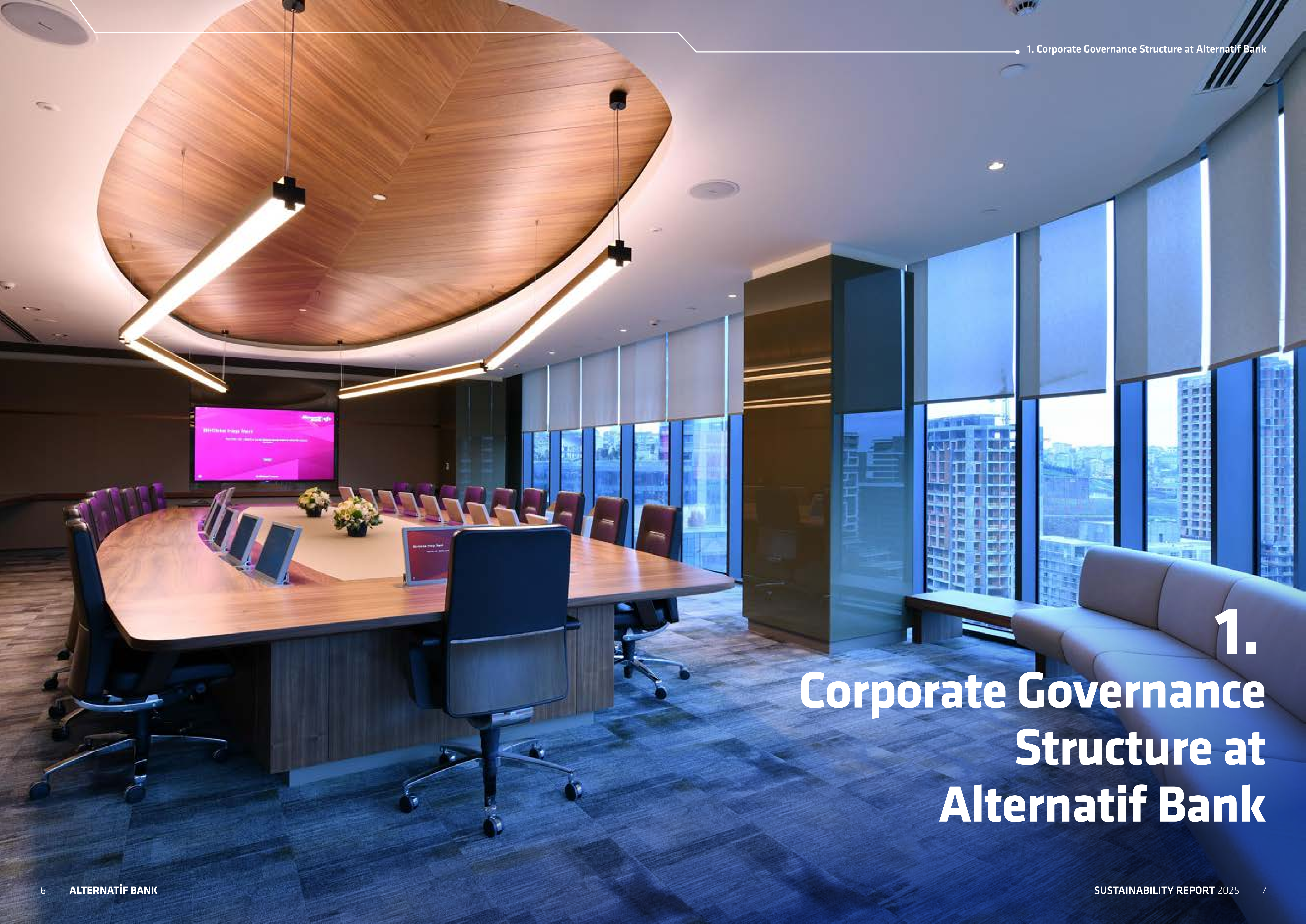
There is no separate committee, board or governance structure within the Company established specifically for matters relating to sustainability or climate change, and the Alternatif Menkul acts in line with the decisions and practices of the Sustainability Committee operating within Alternatif Bank.



## Omurga Gayrimenkul ve Girişim Sermayesi Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu

Fully owned by Alternatifbank A.Ş., the portfolio of Omurga Gayrimenkul ve Girişim Sermayesi Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu (Fund) consists largely of real estate investments. The Fund does not have an actual corporate structure and has no physical elements such as offices, employees or vehicles. All real estate assets in the Fund's portfolio are held vacant (without tenants) and are intended to be disposed of at the earliest opportunity in line with strategic sales plans.

As this structure is subject to financial consolidation, it is also included within the scope of TSRS reporting; however, it has been determined that it does not make any material contribution to, or constitute any risk for, the Bank's overall environmental and social impacts. The Fund's activities and impacts have been analysed, and no further detailed disclosure in the report has been deemed necessary due to the limited impact of the Fund size on consolidation and the absence of any climate-related risk or opportunity.



# 1. Corporate Governance Structure at Alternatif Bank

# 1. Corporate Governance Structure at Alternatif Bank

**With its Head Office building in Istanbul, 15 branches as of December 31, 2025, and workforce of approximately 531 people, Alternatif Bank offers financial solutions to organisations in various sectors. In addition to its traditional branch network, the Bank provides its customers with a multi-channel service infrastructure through internet banking, mobile application, the Customer Contact Centre and a contracted ATM network serving at more than 6,000 locations.**

With the aim of creating sustainable value, Alternatif Bank regards the adoption and implementation of the Corporate Governance Principles published by the Capital Markets Board (CMB) as a fundamental priority. The Bank is fully compliant with the corporate governance principles defined under the Banking Law and the Turkish Commercial Code. Although it is not a publicly listed entity, voluntary efforts are also carried out to implement and improve practices in areas where compliance with the Corporate Governance Principles is not mandatory.

The Board of Directors, the highest governing body of Alternatif Bank, is responsible for determining the Bank's strategic priorities, overseeing long-term value creation and supervising Bank's activities in the field of sustainability, monitor the execution of the sustainability strategy, and receive and review reports from the Management to this end. Pursuant to the obligations of the relevant legislation, the Bank conducts its corporate governance processes and provides the necessary oversight through the Credit Committee, Audit and Compliance Committee, Executive Committee, Risk Committee and Remuneration and Governance Committee operating under the Board of Directors. None of these committees has a directly executive duty; rather, they contribute to the work carried out through oversight, audit and steering functions.

Accordingly, potential situations that may give rise to conflicts of interest are monitored under the corporate governance arrangements in force within the Bank. The committees operating under the Board of Directors, the Bank's highest decision-making body, and at management levels perform their duties in accordance with the principles of fairness, transparency, accountability and responsibility. The activities of the committees are carried out in compliance with both regulations and the Bank's internal policies and regulations.

**"Alternatif Bank has always treated its adherence to Corporate Governance Principles with high priority and has seen it an integral part of its journey for creating sustainable value."**





### Chairman and Members of the Board of Directors, Members of the Audit Committee, Chief Executive Officer and Executive Vice Presidents

| Name | Title | Areas of Responsibility |
|---|---|---|
| Omar Hussain Alfardan | Chairman of the Board | Chairman of the Board |
| Stephen Colin Moss[1] | Deputy Chairman of the Board | Chairman of Executive Committee of Board, Chairman of Board Remuneration and Governance Committee and Alternate Member of Board Credit Committee |
| Mohd Ismail M Mandani Al-Emadi | Board Member | Chairman of Board Risk Committee and Member of Board Credit Committee |
| Salem Al-Mannai | Board Member | Member of Executive Committee of the Board |
| Noman Ali[2] | Board Member | Member of Executive Committee of the Board and Board Audit and Compliance Committee |
| Esin Aydınol[3] | Board Member | Chair of Board Credit Committee, Member of Executive Committee of Board and Member of Board Remuneration and Governance Committee |
| Fahad Badar[4] | Board Member | Member of Executive Committee of the Board, Member of Board Remuneration and Governance Committee and Alternate Member of Board Credit Committee |
| Antonio Francisco Gamez Munoz[5] | Board Member | Member of Board Audit and Compliance Committee, Member of Board Risk Committee and Member of Board Credit Committee |
| Belma Özmen[6] | Board Member | Chair of Board Audit and Compliance Committee and Member of Board Risk Committee |
| Shahnawaz Rashid[7] | Board Member | Member of Board Credit Committee |
| Ozan Kırmızı | Board Member, Chief Executive Officer | Member of Board Credit Committee and Member of Executive Committee of the Board |
| Ayşe Akbulut | Executive Vice President | Credit Underwriting |
| Hamdi İlkay Girgin | Executive Vice President | Financial Affairs and Planning |
| Boğaç Levent Güven | Executive Vice President | Treasury and Financial Institutions |
| Seçkin Mutlubaş | Executive Vice President | Restructuring and Legal Follow-up |
| Didem Şahin[8] | Executive Vice President | Corporate and Business |
| Bike Tarakcı[9] | Executive Vice President | Human Resources |
| Zafer Vatansever | Executive Vice President | Information Technologies and Operations |
| Burcu Yangaz[10] | Executive Vice President | Retail, Private and Digital Banking |
| Egemen Baykan | Head | Risk Management |
| Bahadır Çakmak[11] | Head | Corporate Governance |
| Ömer Faruk Gönener | Head | Internal Audit |
| Engin Turan | Head | Internal Control and Compliance |
| Mehmet Tekergül | Legal Counsel | Legal |

[1] Joseph Abraham resigned from his role as a Board Member on 18 September 2025 and Stephen Colin Moss was appointed as a Board Member on the same date.
[2] Leonie Ruth Lethbridge resigned from her role as a Board Member on 03 February 2025 and Noman Ali was appointed in her lieu and officially assumed the position on 10 February 2025.
[3] Halil Sedat Ergür and Zafer Kurtul resigned from their roles as Board Members on 24 July 2025 and Esin Aydınol was appointed as a Board Member on the same date.
[4] Fahad Badar was appointed as a Board Member at the Annual General Meeting on 27 March 2025.
[5] Antonio Francisco Gamez Munoz resigned from his role as a Board Member on 24 July 2026.
[6] Belma Özmen assumed her role as a Board Member on 21 November 2025.
[7] Shahnawaz Rashid was appointed as a Member of Executive Committee on 30 March 2026.
[8] Didem Şahin, who used to serve as Corporate Banking Executive Vice President was appointed as Corporate and Business Banking Executive Vice President as per Board resolution dated 24.02.2025 and no 18.
[9] Executive Vice President Bike Tarakcı resigned from her position on 15 April 2026.
[10] Burcu Yangaz, who used to serve as Business Banking Executive Vice President was appointed as Retail, Private and Digital Banking Executive Vice President as per Board resolution dated 24.02.2025 and no 18.
[11] Bahadır Çakmak who used to serve as Corporate Affairs Office Coordinator was appointed as Head of Corporate Governance as per Board resolution dated 27.10.2025

## Duties of the Management Level Committees within the Bank are specified below in accordance with the Management Level Committees:


### Executive Committee:

The Executive Committee is responsible for evaluating the Bank's performance on a total and business line basis against the budget, taking necessary actions in a timely manner, managing the business in line with the overall strategy, and monitoring the Bank's performance against the budget.

### Asset and Liability Committee:

The Asset and Liability Committee is a committee of senior executives delegated by the Board of Directors to be responsible for determining interest rate risk, liquidity and other asset-liability strategies of Alternatif Bank.

### Watchlist Committee:

The Watchlist Committee is responsible for overseeing all customers assigned with a monitoring status to ensure early identification of impaired loans and overdue amounts, facilitate corrective action plans and/or refinancing where appropriate, and initiate collection processes and/or legal proceedings where necessary.

### Management Risk Committee:

The Management Risk Committee is the highest management-level authority for risk-related matters within the Bank. The Committee is responsible for overseeing all dimensions of risk management across the Bank, including but not limited to Business Risk, Credit Risk, Market Risk, Operational Risk, Legal Risk, Reputational Risks and Information Security.

### Management Credit Committee:

The Management Credit Committee is the third highest credit approval authority after the Board of Directors and the Board Credit Committee. In accordance with the Credit Approval Framework and Delegation of Credit Authorities, the Committee exercises the lending authorities delegated to it by the Board of Directors through the Management Credit Committee.

### Business Continuity Management Committee:

The Business Continuity Management Committee is responsible for disaster recovery management and business continuity planning across the Bank. Disruptions in operations may lead to losses at the Bank's premises or in systems that support customer activities, such as online and mobile applications. Business continuity plans are designed to support Alternatif Bank's is preparedness for adverse events such as natural disasters, technological failures, cyber threats, human errors and terrorism.

### Information Technologies Steering Committee:

Information Technologies Steering Committee (IT Steering Committee) is responsible for improving IT strategies aiming to regulate the Bank's IT activities in a structured manner, improving, designing, monitoring and steering IT tactics which include IT investments and activities. In addition, the Committee is also responsible for supervising all IT functions and processes, systems and applications related with these functions based on targets, needs and risks as well as evaluating and designing the improvement areas.

### Credit Impairment and Provisions Committee:

The Credit Impairment and Provisions Committee is the ultimate approval authority for all actions to be taken by Risk and/or Business Line teams for the management of losses, provisions and loans written off.

### Compliance Risk Committee:

The Compliance Risk Committee monitors and oversees the implementation of the Risk Management Framework for Compliance and Financial Crimes, including anti-money laundering and combating the financing of terrorism, international sanctions and fraud controls. Resolving Compliance and Financial Crimes Control matters generally involves more than one department/unit within the Bank; therefore, a cross-functional team is required to address these issues effectively.

### Information Security Committee:

The Information Security Committee provides oversight on behalf of the Board of Directors for programmes that ensure the Bank's compliance with regulations in the field of information security and its own security policies. It also provides a security framework for Information Technology. When necessary, it makes recommendations to the Board of Directors regarding the security framework.

### New Product and Process Evaluation and Approval Committee:

New products, services and activities planned to be offered by the Bank are evaluated by the relevant business lines to determine the operating form and conditions, thereby minimising commercial, financial, reputational and legal/regulatory risks in line with the Bank's strategies.

### Branch Committee:

Matters regarding the opening, relocation, merger, renovation and closure of branches are evaluated and resolved by the Branch Committee.

### Information Technologies Strategy Committee:

On behalf of the Bank's Board of Directors, the Information Technologies Strategy Committee is responsible for establishing the IT strategies to implement the Bank's strategies, planning in line with these strategies, providing the necessary financial and human resources, and ensuring effective controls for compliance with strategies and plans. It is also responsible for ensuring the effective and accurate management of existing systems, establishing effective controls over information systems to safeguard the confidentiality, integrity and availability of information assets, and conducting effective oversight to manage risks arising from the use of information systems, taking emerging technologies into account.

### Information Sharing Committee:

The Information Sharing Committee coordinates the sharing of information classified as customer secrets and bank secrets within the Bank and evaluates and records the appropriateness of incoming sharing requests.

Committees convene at the frequency specified in their duties and regularly share reports on their work and meeting outcomes with the Board of Directors. The objectives, structures, working procedures and areas of activity of the committees are clearly defined in the relevant internal regulation documents.

## 1.1. Sustainability Governance at Alternatif Bank

The sustainability governance structure at Alternatif Bank operates under the oversight of the Board and through Board committees. Sustainability oversight has been included in the responsibilities of the Board Remuneration and Governance Committee as of 2021 and integrated into corporate strategies through this structure. Accordingly, sustainability matters are embedded not only at the operational level but also within the Bank's strategic decision-making processes.

In 2020, the Sustainability Committee was established in line with the Sustainability Directive prepared within the Bank's internal system and commenced its activities. The Committee, established at management level, is chaired by the Bank's Chief Executive Officer and consists of Executive Committee members and relevant department managers. The Committee operates directly under the Board Remuneration and Governance Committee and reports its decisions to that Committee.

Between 2020 and 2023, the Sustainability Committee met regularly every three months and was responsible for taking strategic decisions on sustainability, setting targets and steering implementation. During this period, sustainability strategies covering economic, environmental and social dimensions were developed, and action plans aligned with the United Nations Sustainable Development Goals were established. In 2022, efforts were undertaken to strengthen sustainability governance, and in 2023 the gap analysis and action plan were approved by the Committee.

As of 2024, a Sustainability Working Group (the members are provided in the List of Sustainability Working Group Members section) was established to operate at the operational level under the Committee. The Working Group has assumed responsibility for matters such as the integration of sustainability risks, compliance with the guidelines and communiqués of the Banking Regulation and Supervision Agency (BRSA), development of Sustainability Management System processes, planning of internal training and preparation for reporting obligations, and has regularly informed the Committee. A total of four meetings were held during the reporting period, comprising two meetings in 2024 and two meetings in 2025. Decisions and recommendations arising from these activities. were communicated to the Sustainability Committee, the Executive Committee and the relevant governance mechanisms. Committee meetings addressed matters such as the materiality value (threshold) in TSRS reporting, the report preparation process and independent audit, and the Sustainability Management System project.

The approval processes for the Bank's 2025 Sustainability Report are conducted under the oversight and control of the Board Remuneration and Governance Committee and the Board of Directors.

For 2025, the Sustainability Committee resumed its meetings to update sustainability strategies and initiated efforts to add the Committee to the Bank's Internal Regulation. The Board of Directors is informed about sustainability-related risks and opportunities through both the Sustainability Committee and the Board Remuneration and Governance Committee and provides the necessary guidance. Through these structures, Alternatif Bank ensures that sustainability matters are integrated into corporate strategies and that related risks and opportunities are managed effectively.

**Board of Directors**

**Board Remuneration and Governance Committee**

**Sustainability Committee**

**Sustainability Working Group**

**Committee Chair:** Chief Executive Officer

**Comittee Members:** Information Technologies and Operations EVP, Retail, Private and Digital Banking EVP, Financial Affairs and Planning EVP, Credit Underwriting EVP, Corporate and Business Banking EVP, Treasury and Financial Institutions EVP, Human Resources EVP, Head of Risk Management, Head of Corporate Governance, Head of Internal Control and Compliance, Legal Counsel, International and Legal Reporting Manager, Early Warning and Monitoring Manager, Corporate Loans & Financial Institutions Manager, Commercial Loans Manager, Retail Loans Manager, Corporate and Commercial Marketing Manager, Project Finance and Credit Management Manager, Foreign Trade & Finance Manager, Structured Finance Manager, Compensation and Benefits Manager, Development, Internal Communication and Corporate Culture Manager, Operational Risk and Business Continuity Management Manager, Procurement and Service Management Manager, Operations Director, Construction and Real Estate Supervisor

**Comittee Secretary:** Director of the Brand, Communication, Sustainability and Customer Experience Department

To enhance the competencies of Committee members and relevant executives involved in sustainability governance, participation was undertaken throughout the reporting period in a range of training programmes, workshops, conferences, and industry platforms focusing on sustainability, climate change, sustainable finance, circular economy, green taxonomy, internal audit, accessibility, and reporting practices. In this context, participants attended the Climate Transition Programme organised by the European Bank for Reconstruction and Development (EBRD); the Sustainability (ESG) Training for Executives delivered by Koç University ANAMED; the UBSEP Workshop, ISSB Workshop, Sustainability Working Group Meetings, and the Sustainable Finance Outlook Report for the Banking Sector Programme organised by the Banks Association of Türkiye (TBB); the Sustainability for Internal Auditors Training; and the webinar entitled "The Relationship Between Circular Economy and Green Taxonomy from a Climate Finance Perspective". In addition, the training programme on the submission of sustainability reports compliant with TSRS through the SARP System, delivered by the Public Oversight, Accounting and Auditing Standards Authority (KGK), as well as the Sustainability: Reporting, Strategy and Risk Management programme organised by the Compliance Association, were attended. Through these initiatives, the Bank aims to strengthen the knowledge and capabilities of individuals responsible for sustainability governance with respect to emerging regulations, international standards, and sectoral developments, thereby supporting the effective integration of sustainability considerations into decision-making and governance processes.

Climate-related considerations are not currently incorporated into executive remuneration mechanisms at Alternatif Bank.

# 2. Strategy

“Alternatif Bank’s sustainability efforts are based on concrete policy documents, traceable system infrastructures and result-oriented projects under environmental, social and governance (ESG) headings.”

# 2. Strategy

## 2.1. Sustainability Strategy

**Alternatif Bank has shaped its corporate sustainability strategy by combining the “Consultative and Responsible Banking” approach it developed over the years with the principles of human focus, inclusiveness and long-term value creation. While continuing its work in the environmental dimension within the framework of responsible banking, it positions its activities in the social dimension, particularly in the field of Accessible Banking, as an important part of its corporate culture.**

In line with its “Consultative and Responsible Banking” approach, Alternatif Bank’s sustainability journey gained an institutional foundation with the decision to establish the Sustainability Committee and was formally structured in 2020 with members from the Executive Committee and relevant unit managers. The Committee ensures that sustainability efforts are taken beyond isolated actions, linked to strategic targets and carried out in coordination across the entire Bank. As of 2021, the sustainability agenda was placed under the responsibility of the Board Remuneration and Governance Committee, making it traceable within the highest-level decision-making structure.

Operational monitoring of sustainability activities is carried out by the Brand, Communication and Sustainability Department; this unit also provides the Committee secretariat, strategy coordination and internal policy integration.

Alternatif Bank’s sustainability efforts are based on concrete policy documents, traceable system infrastructures and results-oriented projects under environmental, social and governance (ESG) headings. As of 2025, the priority actions and methods being carried out stand out under the following headings.

Alternatif Bank | ENGELSİZ Bankacılık

### Strengthening the Sustainability Management Infrastructure

Within the scope of the project carried out in the 2022-2024 period, a Gap Analysis and Action Plan were prepared through sustainability consultancy services, the sustainability governance structure was reviewed, and work was carried out to develop system documentation and training content. The policies and procedures that began to be prepared in this framework are expected to contribute to corporate standardisation under the headings of environment, equality, lending processes and sustainability. In 2025, to support the implementation of the strategy, the Sustainability Committee held Committee Meetings at regular intervals, and work was carried out to update the Sustainability, Environment and Equality-Diversity-Inclusiveness Directives.

### Reducing Environmental Impacts and Combating Climate Change

The hybrid vehicle fleet investments initiated in 2024 contribute to energy efficiency targets. Budget approval was also obtained in 2025 for the transition to energy-efficient new-generation ATM devices, with the project planned for completion in 2026, and a reduction in branch-based carbon footprint is targeted through the expansion of digital banking.

### Digitalisation and Operational Sustainability

As the Bank continues its digital transformation journey within the scope of its 2025 strategies, it has particularly aimed to increase the use of digital channels and Straight Through Processing (STP) ratios through work on the digital adaptation processes of both individual and corporate customers. An effective structure supporting both branches and digital channels has been implemented through the new service model. This transformation both increases financial inclusion and contributes to resource efficiency. Through Open Banking and cooperation with financial technology (fintech) business partners, customers are provided with more widespread service. Paperless banking practices are being expanded through digital document management and digital approval processes. In this way, customers are enabled to carry out all types of banking transactions through digital channels, making a significant contribution to environmental sustainability. Processes are being moved to the digital environment through Robotic Process Automation (RPA) applications, increasing operational efficiency. Effective risk management is carried out through data management and analytical solutions, and customer-specific solutions can be offered. Care is taken in relation to sustainable infrastructure by focusing on virtualisation and energy-efficient hardware within the technology infrastructure. Information security actively monitors all these processes, ensuring effective control to create sustainable structures against potential information security risks and to maintain existing processes in a healthy manner.

### Sustainability in Credit Processes

In lending processes, lending through digital channels has been accelerated and more accessible and responsible credit practices have been expanded.

### Policy Integrity and Framework Documents

Efforts have been made to strengthen the corporate framework through documents such as the Sustainability Policy, Environmental Policy and Equality-Diversity-Inclusiveness Directive; a strategic direction aligned with the United Nations Sustainable Development Goals has been determined. These documents define fundamental principles such as combating climate change, transition to a low-carbon economy, human rights, sustainability in the supply chain and customer satisfaction.

### Data-Based Monitoring and Reporting

Through the procedures prepared, internal/external communication of sustainability-related activities, performance indicators, senior management reviews and documentation processes have been standardised. During the reporting period, cooperation and digital infrastructure development efforts continued for collecting the organisation’s carbon footprint data and calculating its carbon footprint. Digital infrastructure development work is continuing for the calculation of Scope 3 emissions, including subcategories and emissions arising from activities financed in this regard.

Alternatif Bank regards sustainability as one of its priorities and aims to share its work with the public on a regular annual basis. The efforts for 2025 are supported by digital transformation, service model and risk management steps structured with consideration of environmental and social impacts.

Alternatif Lease, a subsidiary of Alternatif Bank, does not currently have sustainability- or climate change-related targets or a directed transformation in its strategic plans. However, it will support the work carried out under the leadership of the Bank based on the guides published by the BRSA and the Banks Association of Türkiye (BAT).

Similarly, Alternatif Menkul's customer portfolio consists predominantly of individual customers. Since Alternatif Menkul does not provide direct intermediation services for real-sector financing, sustainability and climate change matters have not yet been systematically integrated into its corporate strategy. In this context, no material sustainability or climate related risks and opportunities have been identified by Alternatif Menkul. In line with the increasing reporting and risk management expectations for capital market actors under the CMB's sustainability principles, Alternatif Menkul aims to be involved in efforts to assess risks and opportunities related to sustainability and climate change.

Omurga Gayrimenkul ve Girişim Sermayesi Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu has been included in reporting within the scope of financial consolidation and its impacts have been analysed. Given the limited effect of the fund size on consolidation, the fact that its activities do not make any material contribution to the Bank's overall environmental and social impacts and that it does not present any material sustainability or climate-related risk or opportunity, no further detailed information is provided within the scope of this report.

**"Alternatif Bank regards sustainability as one of its priorities and aims to share its work with the public on a regular annual basis."**

## 2.2. Climate Risks

Climate risk refers to physical risks arising from the severity, frequency and impact of natural events caused by climate change, and transition risks arising from the shift towards a lower-carbon economy.

At Alternatif Bank, stress tests for various risk types, including climate risks, are carried out within the framework of risk management under the ICAAP. The stress tests and scenario analyses conducted for climate risks monitored under Pillar 2 are integrated into the ICAAP framework and the capital planning process. In addition, scenario analyses are performed to analyse the potential impacts of combating climate change, adaptation and other sustainability themes on the Bank's activities, and the findings are annually reported to senior management within the scope of the ICAAP. A framework has been established for identifying sustainability risks and opportunities specific to the Bank, prioritising these items based on threshold values and including them within the reporting scope.

Time horizons used in the management of climate-related risks are classified as short, medium and long term, taking into account the nature of the risks, the expected timing of occurrence and the scale of potential impacts.This approach enables the impacts of short-, medium- and long-term climate risks to be assessed separately and appropriate strategic actions to be developed:

| Short Term (0-1 year): | Medium Term (1-5 years): | Long Term (>5 years): |
|---|---|---|
| Rapid response to environmental risks, operational adaptation and compliance with legal requirements | Strategic projects, operational integration and performance enhancement initiatives | Continuity-focused investment planning and preparation for regulatory and market development |

In the processes of identifying and assessing climate risks, Alternatif Bank uses multidimensional inputs obtained from both internal and external sources. The main data sources and parameters used are as follows:

- Sectoral concentration analyses based on the BAT Heat Map methodology
- Physical risk exposure relating to branch locations (flood, extreme heat, etc.)
- Probability, impact level, Probability of Default (PD) and Loss Given Default (LGD) ratios used in stress tests and scenario analyses
- Environmental indicators such as carbon intensity, water risk and biodiversity sensitivity by debtor and sector of activity

Risk management activities carried out within the scope of climate change focus on identification and assessment of climate-related risks. When analysing these risks, Alternatif Bank prioritises them by considering their probability of occurrence and the financial impacts they may create. To increase the accuracy of assessments, the time horizons and impact durations of the risks are determined in detail, thereby strengthening the reliability of the analyses. As a result of the work carried out, the study undertaken to identify medium-term risks was updated by applying stress tests to 2025 data using the scenario analyses employed in 2024, and the table on risks was prepared as follows.

### Climate Risks

| Risk Description | Risk Type (Acute-Physical) | Term | Value Chain Aspect | Description | | |
|---|---|---|---|---|---|---|
| | | | | Impact on Strategy, Business Model and Value Chain | Financial Impact (Position-Performance-Cash Flows) | Planned Actions |
| Risk of physical equipment damage caused by extreme heat | Physical | 1-5 Years | Operations | Branch IT equipment damage caused by overheating<br>Areas of risk concentration: company assets, operational process | For the physical risk associated with extreme heat-related damage to equipment, the ratio of branch IT equipment and ATM replacement costs, after insurance recoveries, to unconsolidated equity is expected to be 0.01% in 2026, 2027, and 2028 under the adverse climate scenario. Under the severely adverse climate scenario, the corresponding ratio is projected to be 0.02% in 2026 and 2027 and 0.01% in 2028. | Branches are covered by insurance, and the additional profit/loss impact has been calculated within the scope of ICAAP studies. Costs that may arise after insurance recoveries are expected to affect operating expenses recognised in the statement of profit or loss. |
| Risk of physical equipment damage caused by flooding | Physical | 1-5 Years | Operations | Branch equipment damage caused by flooding due to extreme precipitation<br>Areas of risk concentration: company assets, location, service model | For the physical risk arising from flood-related damage to equipment, the ratio of branch equipment replacement costs, after insurance recoveries, to unconsolidated equity is expected to remain at 0.02% in 2026, 2027, and 2028 under the adverse climate scenario. Under the severely adverse climate scenario, the ratio is projected to be 0.03% in 2026 and 2027, decreasing to 0.02% in 2028. | Branches are covered by insurance, and the additional profit/loss impact has been calculated within the scope of ICAAP studies. Costs that may arise after insurance recoveries are expected to affect operating expenses recognised in the statement of profit or loss. |
| Risk of an increase in default and loss given default rates of companies in sectors exposed to physical risk | Physical | 1-5 Years | Corporate value - Operations<br>Loan Portfolio - Downside | Increase in default and loss given default rates in sectors exposed to physical risk<br>Areas of risk concentration: corporate value, loan portfolio | Decrease in income due to an increase in default and loss given default rates in sectors exposed to physical risk (mining, agriculture, hunting and forestry).<br>During the reporting period, the ratio of loans in sectors exposed to physical risk to total loans was 3.8% (based on all cash and non-cash loans). | Sectors that may be exposed to physical risk were identified within the scope of ICAAP, and shocks were applied to companies in these sectors by increasing their default and loss given default rates. The additional profit/loss impact was calculated. Accordingly, the expected credit loss provision recognised in the balance sheet and income statement may be affected. |
| Risk of an increase in default and loss given default rates of companies in sectors exposed to transition risk | Transition | 1-5 Years | Operations | Increase in default and loss given default rates in sectors exposed to transition risk<br>Areas of risk concentration: corporate value, customer base, business model | Decrease in income in sectors exposed to transition risk (machinery and equipment, energy, chemical products, electrical and electronics, metal industry, other manufacturing industry, transportation vehicles, rubber and plastics production, textiles and leather products industry) due to an increase in default and loss given default rates<br>During the reporting period, the ratio of loans in sectors exposed to transition risk to total loans was 26.7% (based on all cash and non-cash loans). | Sectors that may be exposed to transition risk were identified within the scope of ICAAP, and shocks were applied to companies in these sectors by increasing their default and loss given default rates. The additional profit/loss impact was calculated. Accordingly, the expected credit loss provision recognised in the balance sheet and income statement may be affected. |

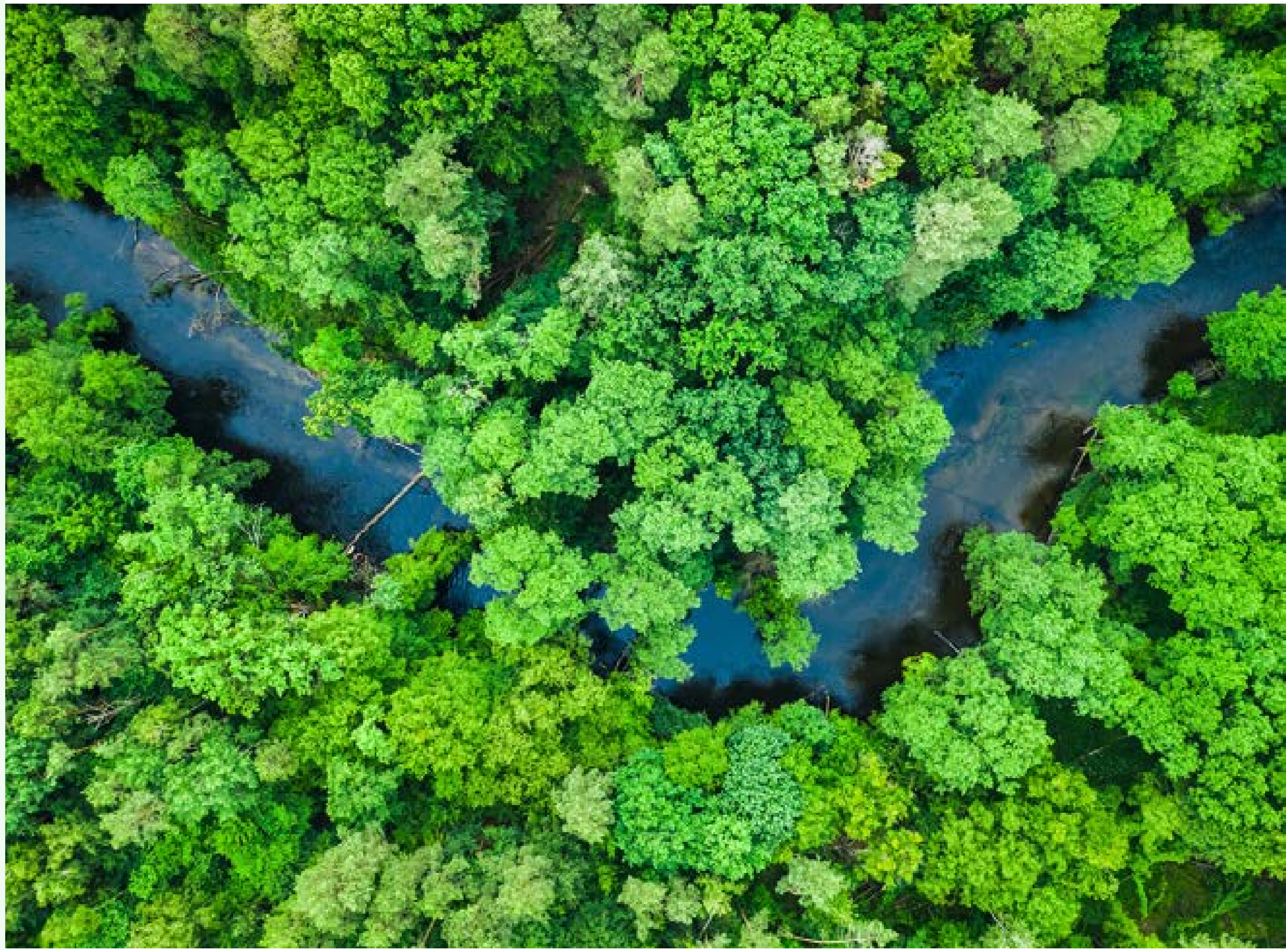
## 2.3. Climate-Related Opportunities

Climate change presents not only risks but also transformation opportunities. In this context, Alternatif Bank has a strategic orientation towards developing financial products that will support sustainable development.

- Financing of renewable energy investments,
- Energy efficiency projects,
- Assessing financing opportunities in areas such as green building and infrastructure projects.

The opportunities defined by the Bank in sustainable finance are still at an early stage, and the current or foreseeable financial impacts of these opportunities have not been clarified in this reporting period. Strategic actions relating to the opportunities are at an initial level, and sufficient data has not yet been generated regarding the volume, scope and timing of realisation of these opportunities. In the upcoming period, scenario-based planning work will be carried out regarding the extent to which the Bank will grow in the relevant markets. The financial impacts relating to these opportunities (for example, interest income, commission income, funding cost, etc.) are expected to become more visible in the financial statements in future periods. However, at present, the effects of these opportunities are not at a level that can be defined as a separate item in the financial statements.

Alternatif Bank does not currently maintain a portfolio of green loans or other comparable sustainable finance products. However, in line with its corporate strategy, the Bank continues to develop and broaden its sustainable finance product portfolio.



## 2.4. Climate-Compatible Business Model and Value Chain Management

Alternatif Bank carries out its activities with an approach focused on customer needs and provides banking services for retail, commercial and corporate segments through both digital channels and physical branches.

Developments arising from climate change bring various risks that may affect the Bank's value creation process and operating structure. It is considered that the physical and transition risks arising in this context may be reflected directly or indirectly in the Bank's operations. Carbon regulations, the increasing frequency of natural disasters, water stress and supply chain vulnerabilities are among the prominent risk topics, particularly in sectors where the loan portfolio is concentrated, such as energy, construction, agriculture and transportation.

From a geographical perspective, climate risks are expected to affect branches and financed assets located in regions where physical impacts such as flooding, extreme heat and drought are experienced more intensely. In addition, the capacity of the SMEs served by the Bank and actors in the agricultural sector to adapt to climate change stands out as a critical factor for resilience in the value chain.

On the other hand, opportunities arise to restructure the business model in areas such as developing sustainability-focused products and services, expanding digital channels and providing financing to low-carbon sectors. This transformation contributes both to reducing the Bank's environmental impacts and to accessing new market opportunities.

## 2.5. Integration of Climate Change into Strategy, Decision-Making Processes and Financial Position

To respond strategically to the risks and opportunities arising from climate change, climate-related assessments are starting to be integrated into corporate decision-making mechanisms as part of the financial sustainability approach, contributing to the further development of loan portfolio management, risk assessment processes and resource allocation decisions.

Based on the ICAAP methodology, risks in carbon-intensive sectors have been identified and steps have been taken to update credit assessment criteria for sectors subject to transition risk.

Within the scope of physical risks, the impacts of events such as floods and extreme heat on branch operations, equipment and critical infrastructure have been assessed; accordingly, insurance coverage and operational resilience plans have been reviewed. Control systems are implemented in IT-specific data centres, including heat controls, protection systems against flooding or fire and monitoring mechanisms for tracking energy consumption, and at branches, including protection measures against flooding and the use of energy-efficient equipment. The assessments determined that the impact of these physical risks on cash flows remained below the financial materiality threshold set by the Bank (2% of the Bank's unconsolidated total equity). In this context, whether the potential impacts of stress scenarios remain below or above the threshold has also been assessed.

The decisions taken are not limited to risk mitigation but also cover the financing of climate-friendly opportunities. The development of financial products for renewable energy, energy efficiency and sustainable infrastructure projects has been prioritised; the potential long-term positive financial contribution of climate opportunities has been assessed through a portfolio strategy oriented towards sustainable sectors, green finance products and energy efficiency investments.

# 3.
# Risk Management

# 3. Risk Management

**Alternatif Bank has structured its risk management using the three lines of defence approach and maintains its risk identification, assessment, prioritisation, monitoring and reporting processes within an integrated system. In line with the Bank's Risk Internal Regulation, Risk Regulation and Risk Appetite Policy, clear job descriptions, reporting lines and areas of responsibility have been defined for all types of risk.**

Risks are identified through periodic self-assessments carried out by the units in their own fields of activity and assessed by the Risk Management Department. The prioritisation and assessment of identified risks are carried out based on the probability and impact of the risk; within this scope, scenario analysis, stress testing and scorecard methodologies are applied. The Bank has an early warning system containing indicators for the early detection of risks. In this framework, Risk Committees have been established within the Bank to operate the governance structure.

The working principles of the Risk Committees have been formally documented, and the Committees meet at intervals determined in line with pre-defined agenda items. At the meetings, risk limits, non-compliance situations, newly identified risks and the actions proposed against these risks are assessed. The Management Risk Committee (MRC) is the highest management-level authority for risk-related matters within the Bank. The MRC is responsible for the oversight of all aspects of Risk Management across the Bank, including but not limited to the risks to which the Bank is exposed. The Board Risk Committee (BRC), as a Board-level committee, is responsible for providing and managing all resources necessary for the establishment and operation of the risk management structure. The BRC reviews the written regulations relating to the Bank's risk framework and provides oversight of all Bank risks through the Management Risk Committee (MRC), Asset-Liability Committee (ALCO), Chief Executive Officer (CEO) and Head of Risk Management.

The Sustainability Committee is responsible for identifying sustainability and climate risks and opportunities.

**"The Sustainability Committee is responsible for identifying sustainability and climate risks and opportunities"**

## Risk Management at Alternatif Lease

Alternatif Lease's risk management and internal control system is carried out by company management with a holistic approach. The Company classifies the risks it may face as financial, operational and natural risks and develops policies to identify these risks, monitor their impacts and minimise them.

Financial risks include factors associated with asset/liability imbalance, reliability and capital, while operational risks are associated with access to current technology and the level of effective use. Natural risks are defined as potential losses arising from fire, earthquake and similar disasters.

Risks are monitored in real time; in extraordinary circumstances, backup and insurance practices are activated to maintain system continuity. Deviations relating to business processes are also monitored through manual controls, and the impacts of environmental factors are analysed in real time.

The Company's investment expenditures are planned to cover the integration of advanced technologies and information systems security; risk management processes are supported by regular audits conducted by the Alternatif Bank Board of Internal Auditors.

Although the Company does not have any separate risk management model for identifying, assessing and reporting sustainability-related risks, it carries out corporate risk management activities. Metrics defined within the scope of risk management processes are regularly monitored and reported to both the relevant business units and senior management. Subsidiaries are subject to the Bank's sustainability risk management practices.

## Risk Management at Alternatif Menkul

Within the scope of the risk management system, it has established pursuant to CMB regulations, Alternatif Menkul implements a structured framework aimed at identifying, monitoring and assessing the main risks to which it may be exposed. This system is structured under the headings of operational risk, credit risk, market risk and liquidity risk; the relevant parameters are reviewed at regular intervals within the framework of both internal controls and regulatory legislation.

Metrics defined within the scope of risk management processes are regularly monitored and reported to both the relevant business units and senior management. In this context, the Company's financial and operational stability is observed; however, no specific systematic analysis or scenario study is carried out for sustainability-related risks or climate-based impacts.

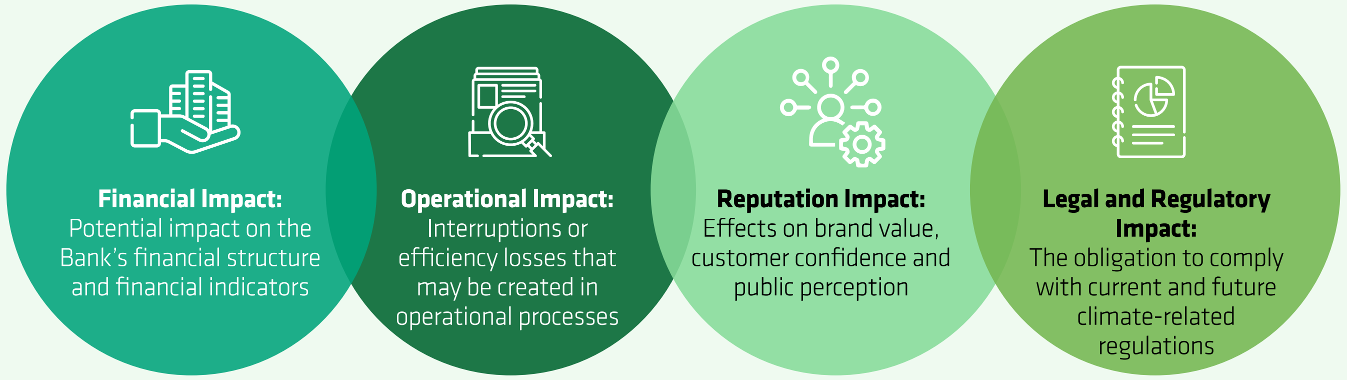
## Risk Management at Omurga Gayrimenkul ve Girişim Sermayesi Portföy Yönetimi A.Ş. İkinci Gayrimenkul Yatırım Fonu

The İkinci Gayrimenkul Yatırım Fonu does not have a separate legal structure or operational activity. All assets in its portfolio consist of vacant (tenant-free) real estate and are managed in line with the sales strategy. Due to the limited impact of the fund size on consolidation and the absence of any meaningful environmental or social risk, no separate risk management model or climate-based scenario study is carried out.

## 3.1. Climate-Related Risk and Opportunity Management Methodology

When identifying risks arising from climate change, Alternatif Bank adopts a strategic approach integrated into its general risk management system. The climate risks defined in this context are included in the Bank's general risk inventory and analysed together with other financial and operational risks. Throughout the process, the principles of transparency, measurability and comparability are taken as a basis; the impacts of climate risks on the Bank's long-term resilience, performance and strategic targets are assessed from a holistic perspective. The Sustainability Committee is responsible for identifying sustainability and climate risks and opportunities. In addition, efforts are underway to develop an opportunity assessment methodology to support the systematic evaluation of sustainability- and climate-related opportunities.

Alternatif Bank addresses the impacts of climate risks on corporate activities in four main dimensions:






This analysis process does not remain solely at the identification stage; it is also integrated into ICAAP studies carried out under the "Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process". In this way, the potential impacts of climate risks on capital planning are monitored and risk mitigation measures and corrective actions are considered if deemed necessary considering annual budgeting processes and three-year projections.

Alternatif Bank defines the materiality criterion for climate risks. 2% of the Bank's unconsolidated total equity is used as the threshold value for climate risks to be considered material from a financial materiality perspective. This threshold guides the Bank's prioritisation, resource allocation and governance processes relating to climate risks.

In the upcoming periods, Alternatif Bank aims to deepen scenario analyses for risks related to climate change, model these risks in greater detail and integrate them into strategic decision-making mechanisms.

Alternatif Bank continued in 2025 the sustainability-focused corporate initiatives which were initiated in 2024.

Alternatif Bank is aware that environmental, social and governance risks may have significant consequences for profitability and liquidity by affecting either the Bank's operations directly or customer activities indirectly.

Alternatif Bank analyses sector-based ESG risks in its credit assessment processes and considers the environmental, social and governance dimensions specific to each sector.

## 3.2. Climate Resilience and Scenario Analysis

Alternatif Bank has conducted climate scenario analyses within the scope of the ICAAP framework to assess the potential impacts of climate change-related physical risks on its operations, service continuity, and critical infrastructure. As part of these analyses, the effects of flood-related physical damage and extreme heat conditions on branch operations, technological equipment, and supporting infrastructure were evaluated. Based on the outcomes of these assessments, further evaluations were undertaken to strengthen the Bank's climate resilience, operational continuity capabilities, and overall risk management approach.

Within the scope of scenario analyses, the following examples were developed specifically for the 2025 ICAAP studies:

- Under the physical damage scenario caused by flooding, structural damage and operational interruptions that may occur in the selected branch building were assessed.
- Due to extreme heat, potential failures in technological equipment within the selected branch, insufficient cooling systems and the resulting risks to business continuity and physical equipment damage were analysed.

Within scenarios developed based on assumptions considered "extremely adverse", the potential impacts on the Bank's profit after tax and capital adequacy were assessed. In the scenario analyses used, potential impacts were measured based on cases where existing equipment does not adapt to changing climate conditions; on the other hand, it was also considered that, under current conditions, the adaptation of such equipment to changing needs is regularly maintained. Since the IT and non-IT equipment at the Bank's physical locations is also covered by insurance, amounts that could be met from insurance compensation were also included in the scenario development. As a result of the scenario analyses performed, the impact of climate risk-related costs on income/expenses under the extremely adverse scenario was calculated. As a result of the study carried out under ICAAP, it was assessed that, considering the Bank's existing capital and medium-term business plan, the Bank is at a level capable of managing this risk. Within ICAAP, the impact of physical and transition risks on the Bank is reflected through PD and LGD ratios in the financial assessment dimension.

Climate-related risks may directly and/or indirectly affect both the Bank's activities and the sectors supported within the scope of financial activities.

**Physical Risks:**

Extreme weather events, heatwaves, droughts and floods may have adverse effects on both the Bank's operational processes and its customers' activities. Such risks may cause financial impacts such as a decline in the value of collateral, deterioration in cash flows and a decrease in loan repayment capacity.

**Transition Risks:**

Factors such as carbon regulations, policy changes relating to the energy transition, higher sustainability standards and changes in market dynamics increase the need for structural transformation in certain sectors. Taking the potential impacts of these changes into account, Alternatif Bank has established a risk analysis infrastructure that reassesses the loan portfolio and incorporates climate risks.

In this context, in line with the Climate-Related and Sustainable Economy Transition Activities Classification Methodology, actions are being undertaken to identify risks associated with carbon-intensive sectors and to support the transition towards low-carbon and environmentally sustainable sectors. In line with its commitment to combating climate change and supporting the transition to a low-carbon economy, Alternatif Bank continued its efforts throughout 2025 to reduce its environmental impacts. As part of these efforts, initiatives aimed at enhancing resource efficiency across the Bank's operations were implemented, and further measures were taken to reduce carbon emissions.

With the branch digitalisation work initiated in 2024, the Bank's physical service infrastructure has been integrated into digital channels. Through this strategic transformation, the Bank aimed both to reduce energy and resource consumption and to provide customers with a more agile and accessible service. During the branch transformation process continuing in 2025, additional ATMs were placed at existing branches to maintain service continuity, and the project covering the renewal of the existing ATM park with energy-efficient devices was also included in the 2026 business plan.

In future reporting periods, the Bank plans to further develop the processes for systematically monitoring and reporting both the impacts arising from its direct operations and the indirect environmental impacts resulting from its financing activities.

# 4. Metrics

# 4. Metrics

**Alternatif Bank aims to play an active role in combating climate change and in the transition to a low-carbon economy. Accordingly, it takes climate- and sustainability-focused steps to reduce the environmental impacts of its banking activities. Infrastructure work is continuing particularly to monitor and reduce the carbon footprint associated with financed activities and operational processes. These efforts aim both to strengthen the Bank's environmental performance and to support a financial system aligned with Türkiye's 2053 Net Zero Emission target.**

Having calculated its greenhouse gas emissions for the first time in 2024 in line with TSRS reporting, Alternatif Bank repeated this work in 2025. Developing corporate policy and data management processes to define quantitative targets is among the Bank's agenda items. Accordingly, it is planned to initiate a consultancy process to strengthen the data collection and invoicing infrastructure, calculate Scope 3 emissions and identify emissions arising from financed activities. In the upcoming period, once a three-year emissions data set has been established, the Bank plans to address emission reduction strategies within a more systematic framework, identify emissions reduction actions, particularly energy efficiency measures, and institutionalise monitoring processes by defining relevant targets and metrics.

## 4.1. Climate-Related Metrics

### 4.1.1 Greenhouse Gas Emission Metrics

**2024 and 2025 Greenhouse Gas Emissions of Alternatif Bank and its Subsidiaries**

**Alternatif Bank**

| Year | Scope 1 (tons of $CO_2$ eq.) | Scope 2 - Location-based (tons of $CO_2$ eq.) | Total (tons of $CO_2$ eq.) |
|---|---|---|---|
| 2024* | 726.8173 | 1,408.0983 | 2,134.9156 |
| 2025** | 582.1137 | 1,189.0778 | 1,771.1915 |

*The 2024 calculation covers Alternatif Bank's 16 actively operating branches and 5 branches closed during the relevant year.
**The 2025 calculation covers Alternatif Bank's 15 actively operating branches and 4 branches closed during the relevant year.

**Alternatif Finansal Kiralama A.Ş.**

| Year | Scope 1 (tons of $CO_2$ eq.) | Scope 2 - Location-based (tons of $CO_2$ eq.)* | Total (tons of $CO_2$ eq.) |
|---|---|---|---|
| 2024 | 72.3244 | 0 | 72.3244 |
| 2025 | 62.1299 | 0 | 62.1299 |

*Alternatif Menkul Değerler and Alternatif Finansal Kiralama share electricity consumption.

**Alternatif Menkul Değerler A.Ş.**

| Year | Scope 1 (tons of $CO_2$ eq.) | Scope 2 - Location-based (tons of $CO_2$ eq.)* | Total (tons of $CO_2$ eq.) |
|---|---|---|---|
| 2024 | 25.6472 | 20.2000 | 45.8473 |
| 2025 | 24.9229 | 18.5860 | 43.5089 |

*Alternatif Menkul Değerler and Alternatif Finansal Kiralama share electricity consumption.

Alternatif Bank's greenhouse gas emission calculations are carried out within the framework of the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004) and the ISO 14064-1:2018 standard. The equity share approach has been adopted as the method for determining organisational boundaries, and all branches across Türkiye and the Head Office building, including Alternatif Finansal Kiralama A.Ş. and Alternatif Menkul Değerler A.Ş., have been included in the calculation. Activity data for emissions was obtained from verifiable sources such as electricity and natural gas invoices, equipment refrigerant gas and fire extinguisher capacities, and vehicle fuel consumption.

In calculating Scope 2 emissions, the national emission factor and the location-based approach were used based on the "Information Form on Türkiye Electricity Generation and Electricity Consumption Point Emission Factors (2023)" published in 2025 by the Republic of Türkiye Ministry of Energy and Natural Resources for the Turkish electricity grid. The Company does not have a market-based supply contract.

When Alternatif Bank's greenhouse gas inventory for 2024 and 2025 is reviewed, a clear downward trend is observed in both Scope 1 and Scope 2 emissions. Scope 1 emissions decreased by approximately 19.9% from 2024 to 2025. Scope 2 (location-based) emissions decreased by approximately 15.6%, a trend that is also consistent with the decrease in electricity consumption. Total emissions decreased by approximately 17% compared with 2024. It is considered that these decreases are the result of the Bank's wider implementation of energy efficiency practices introduced to reduce its environmental impacts and combat climate change, as well as branch network optimisation initiatives implemented in line with the Bank's digitalisation objectives.

Work continues to internalise and strengthen data collection, verification and calculation processes within the organisation. The current two-year data set does not yet provide a sufficient basis for setting a reduction target. Following the three-year data set that will be completed with the addition of 2026 data, it is planned to develop reduction strategies and create numerical targets aligned with the 2053 net zero target.

In line with the transition process defined under the TSRS, entities are not obliged to disclose Scope 3 greenhouse gas emissions in their first two reporting periods. Alternatif Bank applies this transitional relief and has therefore not disclosed Scope 3 emission data in its reporting for this period. Nevertheless, work continues to establish data collection and monitoring infrastructure for indirect emission sources associated with operations and to make initial calculations. The Bank aims to include Scope 3 emissions in its calculations and disclose them in future reporting periods.

The Bank does not yet apply an internal carbon price in its decision-making processes. Although greenhouse gas costing approaches have not been developed at this stage of internalising emission calculation processes, internal carbon pricing is regarded as a climate management tool that may be assessed in future periods. Within the reporting period, no carbon credit or offsetting mechanism was used for offsetting emissions, and no plan or commitment has been undertaken in this regard.

Loans extended to the mining, agriculture, hunting, and forestry sectors within the Bank's credit portfolio exposed to physical risks carry the potential to constitute vulnerable assets, as these sectors may be affected by climate change-related risks such as droughts, floods, and extreme weather events. As of the reporting period, loans extended to sectors exposed to physical risks accounted for 3.8% of the Bank's total loan portfolio.

Loans extended to the machinery and equipment, energy, chemical products, electrical and electronic equipment, metal industry, other manufacturing industries, transport equipment, rubber and plastics production and textile and leather products sectors within the credit portfolio have been identified as being exposed to transition risks arising from evolving regulations, technological transformation and the transition to a low-carbon economy. As of the reporting period, loans extended to sectors exposed to transition risks represented 26.7% of the Bank's total loan portfolio.

The materialisation of climate-related physical and transition risks may result in increases in default rates and loss-given-default rates across the relevant portfolios. Consequently, expected credit loss provisions may increase, affecting both the Bank's financial position and financial performance.

## 4.2. Other Sustainability Metrics

### 4.2.1. Energy Metrics

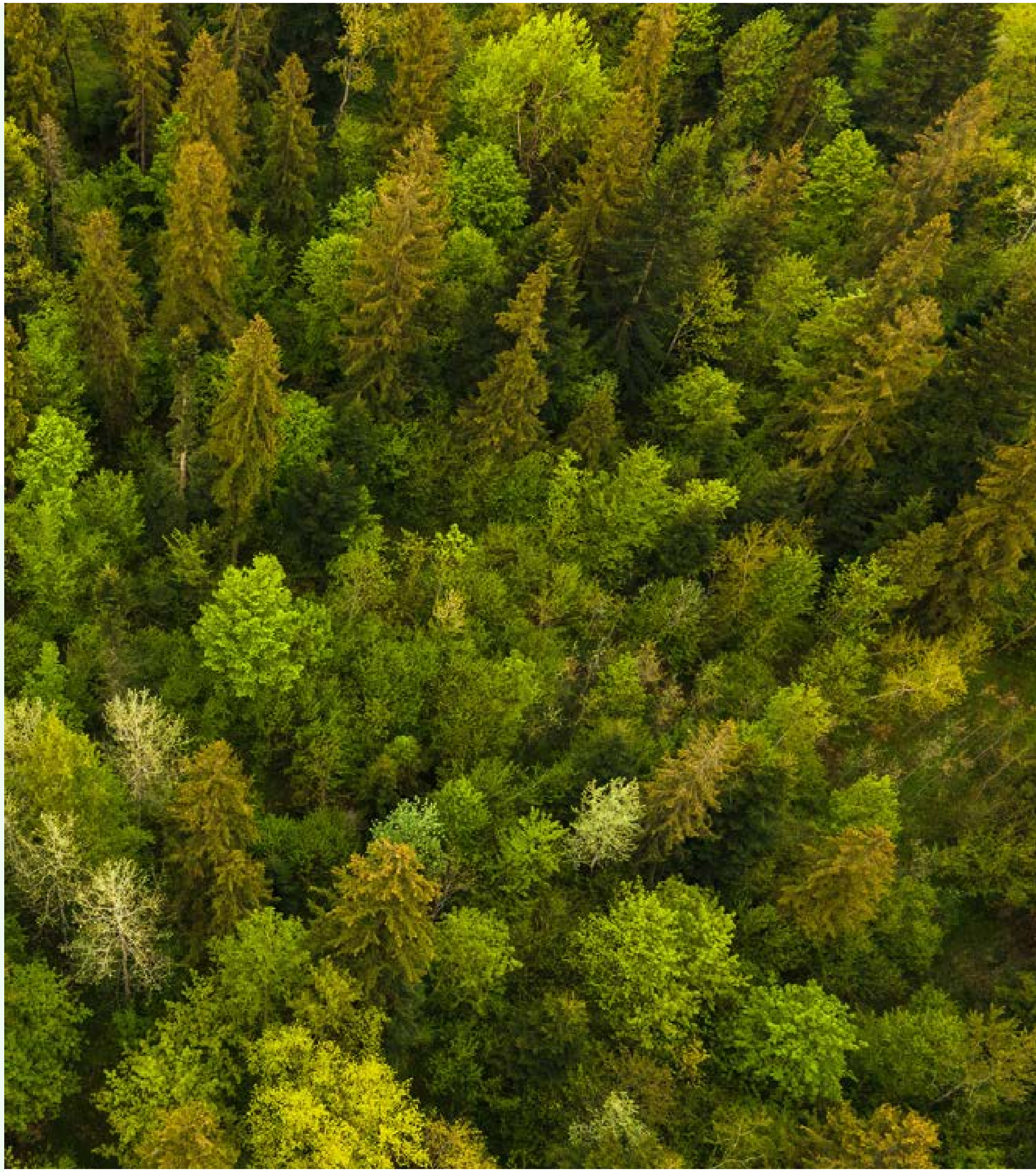
| Years* | Electric Energy Consumption (GJ) | Natural Gas Consumption (GJ) | Total Energy Consumption (GJ) |
|---|---|---|---|
| 2024 | 10,746.0090 | 764.8698 | 11,510.8788 |
| 2025 | 9,260.7145 | 931.7359 | 10,192.4504 |

*Note: For the GJ conversion, a calorific value of 48 TJ/Gg for natural gas has been taken as the basis.

## 4.3. TSRS 2 Sector-Specific Guidance Standards

Alternatif Bank's credit activities for 2025 are reported in accordance with the metrics defined under Volume 16 - Commercial Banks of the guidance on the sector-based application of TSRS 2. Accordingly, a total of 19,475 loans were allocated, of which 15,526 were to retail customers, 175 to small businesses and 3,774 to corporate customers. When the distribution of the loan portfolio is reviewed, TL 2,493,290,609 was allocated for retail loans, TL 1,172,841,361 for small business loans and TL 189,122,888,117 for corporate loans. This data demonstrates that the Bank has a financing structure broad enough to meet differentiated customer needs in the retail and commercial segments and that it provides high-volume financing, particularly in the corporate segment.

| Topic | Metric | Value | Unit | Code |
|---|---|---|---|---|
| Incorporation of ESG Factors into Credit Analysis | Description of the approach to the incorporation of ESG factors into credit analysis | Described in section 3.1 Climate-Related Risk and Opportunity Management Methodology | None | FN-CB-410a.2 |
| **Activity Metrics** | | **Value** | **Unit** | **Code** |
| Number of personal checking and savings accounts | | 233,030 | # | FN-CB-000.B |
| Number of small business checking and savings accounts | | 4,700 | # | |
| Value of personal checking and savings accounts | | 22,820,391,663.27 | TL | |
| Value of small business checking and savings accounts | | 202,126,547.62 | TL | |
| Number of retail loans | | 15,526 | # | |
| Number of small business loans | | 175 | # | |
| Number of corporate loans | | 3,774 | # | |
| Amount/value of retail loans | | 2,493,290,609 | TL | |
| Amount/value of small business loans | | 1,172,841,361 | TL | |
| Amount/value of corporate loans | | 189,122,888,117 | TL | |



# 5. Appendices

# 5. Appendices

## 5.1. TSRS 1 and 2 Compliance Index

### TSRS 1 Compliance Index

| Core Content | Standard Clause Code | Relevant Section of the Report |
|---|---|---|
| Governance | 27.a-b | Corporate Governance Structure at Alternatif Bank |
| Strategy | 29 | Strategy |
| | 30 | |
| | 32 | |
| | 33 | |
| | 34.a-b | |
| | 35.a-d | |
| | 38 | |
| | 39 | |
| Risk Management | 43.a-b | Risk Management |
| Metrics and Targets | 46 | Metrics |
| | 51.a-g | |

### TSRS 2 Compliance Index

| Core Content | Standard Clause Code | Relevant Section of the Report |
|---|---|---|
| Governance | 6.a-b | Corporate Governance Structure at Alternatif Bank |
| Strategy | 9.a-e | Strategy |
| | 10.a-d | |
| | 13.a-b | |
| | 14.a-c | |
| | 15.a-b | |
| | 16.a-d | |
| | 21.a-c | |
| Climate Resilience | 22.a-b | Strategy |
| Risk Management | 25.a-c | Risk Management |
| Metrics and Targets | 28.a-c | Metrics |
| | 29.a-g | |

## 5.2. Independent Auditor's Limited Assurance Report

## 5.3. List of Sustainability Committee Members

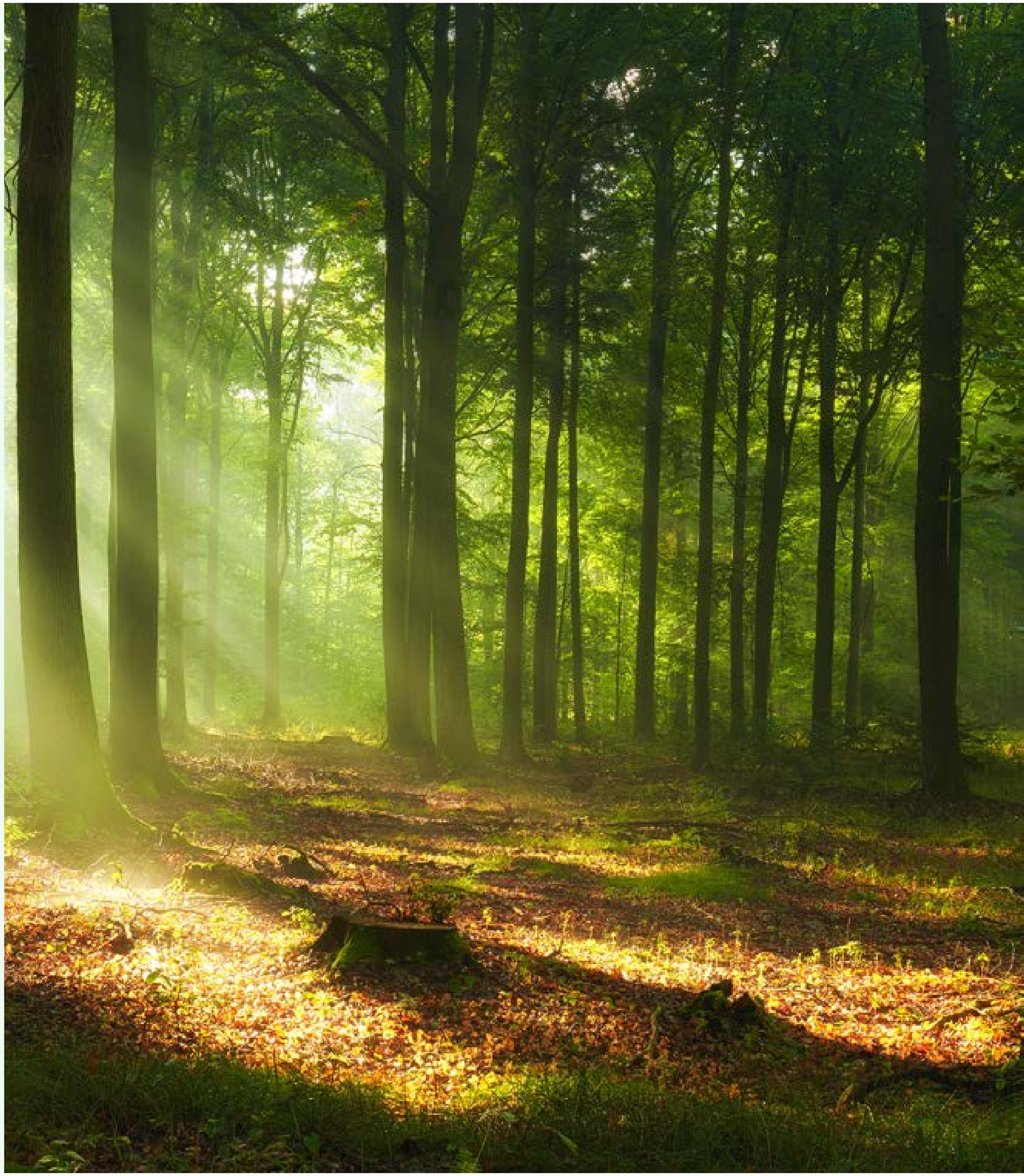
| Name-Surname | Title |
|---|---|
| Ozan Kırmızı | Chief Executive Officer (Committee Chair) |
| Zafer Vatansever | Executive Vice President |
| Burcu Yangaz | Executive Vice President |
| **Financial Affairs and Planning** | |
| Hamdi İlkay Girgin | Executive Vice President |
| Ahmet Akın | International and Legal Reporting Manager |
| **Credit Underwriting** | |
| Ayşe Akbulut | Executive Vice President |
| Onur Öztay | Early Warning and Oversight Manager |
| Murat Tugan* | Corporate Loans and FI Manager |
| Seda Kurtuluş | Commercial Loans Manager |
| Serdar Aksakal | Commercial Loans Manager |
| Serdar Yetimoğlu | Retail Loans Manager |
| Serpil Akansel* | Retail Loans Manager |
| **Corporate and Commercial Banking** | |
| Didem Şahin | Executive Vice President |
| Alper Tolga Selimoğlu | Corporate and Commercial Marketing Manager |
| Ayşe Banu Sönmezışık* | Project Finance and Credit Management Manager |
| Cem Çetinkaya | Foreign Trade & Finance Manager |
| **Treasury and Financial Institutions** | |
| Boğaç Levent Güven | Executive Vice President |
| Ahmet Kınalısoy | Structured Finance Manager |
| **Human Resources** | |
| Bike Tarakcı* | Executive Vice President |
| Erdem Day | Compensation and Benefits Manager |
| Sezin Metin | Development and Internal Communication, Corporate Culture Manager |
| **Other** | |
| Mehmet Tekergül | Legal Counsel |
| Bahadır Çakmak | Head of Corporate Governance |
| Egemen Baykan | Head of Risk Management |
| Şeyda Yücel | Operational Risk and Business Continuity Management Manager |
| Engin Turan | Head of Internal Control and Compliance |
| Hande Yağcı | Brand, Communication, Sustainability and Customer Experience Director |
| Okan Kentsu | Procurement and Service Management Manager |
| Eren Uluğ | Operations Director |
| Mahmut Kayar | Construction and Real Estate Supervisor |

*Served in this role during 2025 and resigned in 2026.

## 5.4. List of Sustainability Working Group Members

| Name-Surname | Title |
|---|---|
| Seyhan Katı Akgün | Financial Institutions Supervisor |
| Mehmet Ardıç | Capital and Portfolio Management Supervisor |
| Eren Ayık | Alternatif Lease - Risk Management Manager |
| Ebru Balım | Project Finance and Credit Management Supervisor |
| Ezgi Develioğlu | Strategy and Customer Experience Supervisor |
| Umut Gençer | Internal Control Manager |
| Fırat Geriş* | Change and Process Management Supervisor |
| Nilüfer Gevenoğlu* | Brand, Communication and Sustainability Supervisor |
| Ferit Kızıltaş | Legal Compliance Unit Supervisor |
| Sezin Metin | Development and Internal Communication, Corporate Culture Manager |
| Gülçin Taybıllı* | Corporate Compliance Supervisor |
| Vildan Tepeköy | Regulatory Compliance Senior Supervisor |
| Doğukan Toptaş | Brand, Communication and Sustainability Specialist |
| Cansu Tosun | Corporate Banking Sales and Performance Management Supervisor |
| Hande Yağcı | Brand, Communication, Sustainability and Customer Experience Director |

*Served in this role during 2025 and resigned in 2026.



Ayazağa Mah. Azerbaycan Cad.
2D Blok No: 3M/1 34485
Sarıyer/İstanbul

T: 0212 315 65 00
alternatifbank.com.tr

**Report Content and Consulting:**
**ESCARUS (TSKB Sustainability Consultancy)**

escarus
TSKB Sustainability Consultancy

**Graphic Design:**
Özge Egemen, kirmizitasarim.com