



# TÜRKİYE TRANSITION FINANCE WORKSHOP

Aybala Şimşek Galpin  
Executive Vice President, Şekerbank T.A.Ş.

November 1, 2022



# A Unique Model in the Turkish Banking Sector

## 69-years of experience in Community Banking

- Founded as a cooperative bank
- Deep know-how in SME&Agricultural banking
- 72% branches located in rural areas

## Pioneering Role in Inclusive Finance and Energy Efficiency

- 54% of loans are in SME&Agriculture
- ECOloan: The first energy efficiency banking product in Turkey
- Digital banking infrastructure for unbanked, farmers and small businesses



# Sustainable Banking Strategy Integrated in all Activities throughout the Bank's History

## Transition Plan Development (Strategies, Policies and Governance)

2008: The first corporate governance rating

2009: Social and Environmental Management System for the Loan Assessment

2010: One of the first banks that reported its carbon footprint through the CDP

2012: Business Council for Sustainable Development in Turkey (BCSD Türkiye)



## Transition Finance (Products, Services and Decision-Making)

2006: The first Microfinance program in Turkey

2008: Hasat Card, The first farming-oriented credit card in Turkey

2009: ECOloan, Turkey's first energy efficiency financing product

2010: Customer segmentation and branch structure, granulated based on SME sub-segments

2011: The first SME-backed Covered Bond Programme in the World.

2006

2008

2009

2010

2011

2012



# Sustainable Banking Strategy Integrated in all Activities throughout the Bank's History

## Transition Plan Development (Strategies, Policies and Governance)

## Transition Finance (Products, Services and Decision-Making)



2013: The bank's first sustainability report

2013

2013: "Small Business Day" platform that encourages consumers to shop from local retailers



2015: Business Leadership Criteria on Carbon Pricing (CPLC)

2014

2014: Producer Card, the first both credit and debit card for SMEs



2015-2016: Strategy and Business Plan aligned with the SDGs

2015

2014: "Family Farming Banking" to dissuade rural to urban migration



2015: Turkey's first 5-year syndicated loan for financing SMEs



**Sustainable Agriculture**



**Energy Efficiency and Combating Climate Change**



**Financial Inclusion and Women's Banking**



**Supporting Production and Employment**

# Sustainable Banking Strategy Integrated in all Activities throughout the Bank's History

## Transition Plan Development (Strategies, Policies and Governance)

## Transition Finance (Products, Services and Decision-Making)



2016: The First SDGs aligned Sustainability Report



2016: UN Women's Empowerment Principles (WEPs)



2017: United Nations Global Compact (UNGC)



2019: Founding signatory of UN Principles of Responsible Banking (PRB)

2016

2017

2018

2019

2016: %100 ESG-related foreign borrowing structure

2018: Digital Transformation Program

2019: End-to-end automated loan underwriting system for SMEs and Farmers



# Sustainable Banking Strategy Integrated in all Activities throughout the Bank's History

## Transition Plan Development (Strategies, Policies and Governance)

## Transition Finance (Products, Services and Decision-Making)

2020: The Sustainable Banking Committee

2020

2020: Digi Branch to reach out to the rural population during the pandemic



Digi Branch

2021: Sustainable Bond Framework

2021

2021: The first mobile banking solution for farmers and small businesses



2022: Integrated Sustainability Report

2022

2022: SME and Agricultural Loans share reached 54%



2022: Founding member of Integrated Reporting Türkiye



2022: Initiated SBTi and NZBA



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

# SMEs and Farmers Integration to Transition

## Main Challenges

Limited Access to financial services

Lack of awareness and prioritization of decarbonization

Highly risky segment in terms of NPLs

Not being included in the reporting scope of prominent platforms



**LEAVE NO ONE  
BEHIND**

## Şekerbank's Solutions

Micro Finance, Alternative Data Scorecards and Mobile Branch

Concrete Financial Benefits of Energy Efficiency Investments

End-to end Automized Loan Underwriting, Monitoring and Follow-up System

Sectoral Carbon Emission Measurement Project for SMEs

**Thank You...**

**Şekerbank** 