

İŞBANK TAX POLICY

Istanbul, September 11, 2025

I- PURPOSE AND SCOPE

Since its establishment in 1924, İşbank has maintained its operations in accordance with its founding principles, boasting strong financial performance, an extensive branch and ATM network, a wide product range, and a reputation it maintains and develops under all market conditions.

The Bank offers services in an integrated structure with its subsidiaries and affiliates operating in many different sectors and fields both in Türkiye and abroad.

The Bank's vision is to be the bank of the future that creates sustainable value with an inclusive and participatory approach.

The Bank's strategy is to prepare itself for the future by continuously improving its business model together with Group companies and all solution partners in the process of balance sheet management and technological transformation that will support sustainable and value-added growth, by directing internal and external resources to the priority needs of the national economy.

In general, tax policy is one of the primary tools to be used in achieving sustainable development goals. Taxes are the most important source of financing needed by states to provide public goods and services.

The Bank is committed to fulfilling its tax obligations and liabilities in a reliable and legally compliant manner in all countries where it operates.

This policy, adopted by the Bank's Board of Directors, aims to publicly disclose the Bank's awareness of the importance of taxes for sustainable development, along with its approaches, strategies and principles regarding taxation in the process of achieving the Bank's objectives and strategies.

II- DEFINITIONS

Arm's Length Principle: refers to the requirement that the price or value applied in the purchase or sale of goods or services made with the related parties must be consistent with the price or value that would have been applied in the absence of such a relationship with such related parties.

Base Erosion and Profit Shifting (BEPS): refers to multinational corporations' shifting their profits to low-tax or tax-free areas where they engage in little or no economic activity, or eroding their tax bases through deductible payments, such as interest and royalties.

Country by Country Report (CBCR): refers to the report that includes comprehensive details on how multinational enterprises allocate their global revenues, the taxes they pay, and the distribution of economic activities within a group.

Disguised Profit Distribution Through Transfer Pricing: refers to entities' buying or selling goods or services with related parties at values or prices they have determined in violation of the arm's length principle.

G20 Countries: refers to an intergovernmental forum comprising 19 countries, the European Union, and the African Union.

Organisation for Economic Co-operation and Development (OECD): refers to the organisation was established to support and improve European economies after World War II.

Tax Haven: refers to a country or jurisdiction where taxes are non-existent or very low, where effective information exchange is not or cannot be conducted, and where there is a lack of transparency.

Tax Office: refers to the office that identifies the taxpayer; assesses and accrues taxes, duties and fees, and imposes and collects penalties.

III- BASIC PRINCIPLES

The Bank's Basic Tax Policies

The Bank is aware of the need to inform its investors clearly and explicitly about important tax-related issues and includes the necessary explanations in its periodic reports.

The Bank accepts that the taxes that it pays and facilitates the collection of on behalf of the public are one of the most important cornerstones of corporate social responsibility.

In this context, the basic policies regarding taxation are given below:

Compliance With Tax Legislation:

The Bank undertakes to act in accordance with the spirit (reasoning) and letter of the tax laws, regulations and communiqués in force in the relevant country, at every stage of its activities.

Such compliance activities are carried out meticulously both by the bank's personnel expert and experienced on tax matters and with the aid of consultancy services received from external tax experts.

The processes for fulfilling tax obligations and liabilities within the Bank and those responsible for the same have been determined and are known by all personnel.

The Bank takes the necessary measures to raise tax awareness and awareness on the contribution of taxes to sustainability, among all its personnel.

The Bank undertakes to fulfil all its tax obligations and liabilities in the manner and within the time period prescribed by relevant laws.

Within the scope of the laws, the Bank prepares and submits tax returns, notifications and reports in the format and within the time period requested by the authority.

The Bank pays the taxes for which it is the taxpayer or the party responsible for tax, to the tax authority within the periods specified in the legislation without causing any delay.

The Bank is aware that failure to fulfil tax obligations and liabilities in the requested format and timeframe may create reputation risk.

The Bank aims to benefit from tax incentives, exceptions and exemptions granted by tax legislation in the relevant countries, in relation to its field of activity. It aims to use the benefits thus obtained to provide employment, create new products, improve existing products, and carry out social responsibility activities.

The Bank uses its right to resort to legal remedies against taxation procedures that are contrary to the Constitution and/or laws.

All civil and criminal liability of those who cause tax loss rests with them. The Bank reserves the right to make any requests from/raise any claims against the relevant parties regarding this matter.

Communication with the Tax Authority:

The Bank attaches importance to communication with the tax authority for the accurate and complete payment of taxes; it establishes and maintains a constructive and transparent relationship based on continuous communication and exchange of views with the authority in order to eliminate possible uncertainties and to fulfil its responsibilities accurately and completely during the tax collection phase.

In order to resolve possible uncertainties in a timely manner, it takes proactive initiatives to take measures to resolve any doubts, including obtaining a written opinion from the relevant tax authority.

Tax Havens:

The Bank does not engage in any transactions or activities that are aimed at reducing or avoiding payment of taxes in violation of international regulations. It does not use any inappropriate structure for these purposes.

The Bank is aware that countries that provide investors with legal and administrative convenience in commercial activities and an environment where there is no or low taxation, and where information exchange is not possible, are defined as tax havens.

The Bank undertakes not to conduct transactions without commercial, economic and legal justification in countries designated as tax havens, and not to transfer artificial income or value to low-tax countries solely for the purpose of obtaining a tax advantage.

The Bank operates in low-tax jurisdictions, only within commercial and legal frameworks. Profits obtained from activities in these countries are taxed in accordance with the tax legislation of the relevant country and Türkiye.

Transfer Pricing and BEPS:

The Bank undertakes to determine the prices in its purchases and sales of goods and services with related parties in accordance with the "Arm's Length Principle", which is an international standard defined by the OECD and the laws of the countries in which it operates.

The Bank closely monitors national and international legislation and regulations regarding transfer pricing.

The Bank follows the BEPS action plans in transfer pricing that have been published by the OECD since 2015 within the scope of the principles of substance over form, transparency, certainty, and harmonization in domestic legislation, and that have also been accepted by the G20 countries.

It takes the necessary actions to comply with the regulations on this subject in the domestic legislation of the country in which it operates.

It fulfils its reporting and notification obligations regarding transfer pricing within the prescribed time and manner.

In this context, it prepares a country-by-country report (CBCR), a country report, a general report, and the requested forms and notifications on this subject every year and submits them to the tax authority.

The Bank undertakes to comply with the laws and regulations enacted in relation to the global minimum supplementary corporate tax in Türkiye and all countries where it operates, in accordance with the OECD action plans.

Tax Risk Management:

For sustainable operations, the Bank agrees to identify and monitor, minimize, and manage and audit tax risks. Within this context;

- The Bank takes into account the tax-related risks it is exposed to as a result of its activities and manages these risks within the framework of corporate risk management.
- Explanations regarding the identification, definition, evaluation and/or measurement, monitoring, control, and reporting of risks that the Bank may be exposed to within the scope of tax laws that it is obliged to comply with are included in the Bank's internal regulations.
- In the risk assessments carried out for new products, services and activities to be launched by the Bank, risks related to the tax laws with which the Bank is obliged to comply are evaluated and necessary measures are taken to mitigate the identified risks before the relevant product, service or activity is launched.
- The Bank takes the necessary measures to minimize losses that may occur due to non-compliance with tax laws. In this context, the Bank:
 - Determines the risks that it may be exposed to regarding tax matters.
 - Evaluates the potential impact that risks, if materialize, may have on the Bank's financials.
 - Records the losses that occur as a result of materialized risks in the database and monitors the same.
 - Pays attention to the effectiveness of controls regarding risk reduction, and takes additional risk reduction measures if necessary.
 - Monitors tax risks within the scope of risk appetite and/or based on individual indicators and periodically reports the results to senior management.

Digitalization / Digitization:

Digitalization is a concept that involves the continuous improvement of an organization's business models and the change of competencies and organizational culture, by using the latest technologies.

With the awareness of the importance of digitalization, including tax-related processes in its areas of activity, the Bank takes actions such as developing/changing the necessary software, establishing information technology infrastructures, and other actions on information security.

The Bank aims to create a more effective, secure and transparent structure by integrating tax compliance and reporting processes with digital systems.

Training:

The Bank ensures that its personnel participate in periodic internal and external tax training programs in order to increase their tax awareness and to inform them about changes in legislation. In addition, the Bank notifies all personnel in writing of developments regarding taxation, within the framework of the principles set out in its internal regulations.

IV- ORGANIZATIONAL STRUCTURE / ROLES AND RESPONSIBILITIES

The Board of Directors is the body that has the ultimate responsibility for ensuring that all activities of the Bank are carried out in accordance with tax legislation and that tax risks are effectively managed. In this context, the Board of Directors determines the necessary policies and strategies, ensures the establishment of control mechanisms, and fulfils its oversight duties.

The Executive Board and the Head of the Fiscal Law and Tax Management Consultancy Division ensure that activities are carried out in accordance with tax legislation within the framework of the Bank's Tax Policy and that tax risks are effectively managed with accountability to the Board of Directors. In this context, the mentioned officer takes the necessary organizational and operational measures, carries out the relevant work, and ensures their implementation.

V- SUPERVISION / AUDIT

In order to ensure the implementation of the provisions of this policy, the Bank performs the necessary audits or causes them to be performed. All Head Office Divisions take the necessary measures within the framework of the regulations governing their duties and in line with the audit results.

VI- REVIEW

This policy document is reviewed at least once a year by the Fiscal Law and Tax Management Consultancy Division, taking into account changes in national and international legislation. Any changes deemed necessary are made through updates by the Fiscal Law and Tax Management Consultancy Division and come into force upon approval by the Board of Directors.

VII- EFFECTIVENESS

This tax policy enters into force on the date of its approval by the Board of Directors.